



**Franklin City Council Agenda
March 28, 2022
Council Chambers
207 West Second Avenue
Franklin, Virginia 23851**

**6:00 P.M.
FY 23 Budget Work Session**

**7:00 P.M.
Regular Meeting**

**CALL TO ORDER. MAYOR FRANK M. RABIL
PLEASE TURN OFF CELL PHONES. MAYOR FRANK M. RABIL
PLEDGE OF ALLEGIANCE
CITIZEN'S TIME
AMENDMENTS TO AGENDA**

1. CONSENT AGENDA:

A. Approval of February 28, 2022 and March 14, 2022 meeting minutes

2. OLD/ NEW BUSINESS:

- A. Red Cross Overview
- B. Laurel Street Grant Documents
- C. Southampton County Courthouse Update
 - a. Budget Amendment 2022-17
- D. City Manager's Report

3. COUNCIL/STAFF REPORTS ON BOARDS/COMMISSIONS

4. CLOSED SESSION

I move that the City of Franklin, Virginia City Council adjourn into a closed meeting pursuant to Virginia Code Section 2.2-3711-A-1, 1. discussion of appointments to boards and commissions, and discussion of performance of employees of the public body to discuss the following subject or subjects: Franklin Redevelopment and Housing Authority Board of Commissioners, Industrial Development Authority, and utility billing, and

2.2-3711-A-5, Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community specifically along Pretlow Industrial Park, Armory Drive, Downtown Franklin, and Franklin Regional Airport.

2.2-3711-A-7, Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body specifically regarding, health insurance of a City retiree, and Sanford vs. City of Franklin.

Motion Upon Returning to Open Session- I move that the City of Franklin, Virginia City Council certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting held on March 28, 2022; (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the City of Franklin, Virginia City Council; and (iii) no action was taken in closed meeting regarding the items discussed.

5. ADJOURNMENT

MINUTES FROM THE FEBRUARY 28, 2022 REGULAR CITY COUNCIL MEETING

The Franklin City Council held a regular City Council meeting on February 28, 2022 at 7:00 p.m. in the City Council Chambers located at 207 West Second Avenue, Franklin, Virginia 23851.

Council Members in Attendance: Frank Rabil, Mayor; Robert (Bobby) Cutchins, Vice-Mayor; Councilman Linwood Johnson; Council Mark R. Kitchen; Councilwoman Wynndolyn Copeland; Councilman Gregory McLemore and Councilman Ray Smith

Staff in Attendance: Amanda Jarratt, City Manager; and Arisha Jones, Executive Assistant

Other Staff in Attendance: Sarah Rexrode, Director of Social Services; Vernie Francis, III, Chief of Emergency Services; Steve Patterson, Chief of Franklin City Police Department; Camara Jacobs, Director of Human Resources; Cheryl Edmonds, Zachary Wright, Director of Power & Light; Tracy Spence, Director of Finance; Chad Edwards, Director of Public Works; Carlee Smith, Environmental Specialist; Daniel Jones; Real Estate; Selenia Boone, Commissioner of Revenue and Beverly Walkup, Interim Director of Community Development

Call to Order

Mayor Frank Rabil called the February 28, 2022 regular City Council meeting to order.

Citizen's Time

The following citizen signed up for citizen's time:

Michael Bradshaw, resides at 101 Willis Road, Franklin, Virginia; Mr. Bradshaw expressed his concerns about the intersection of Hunterdale Road and Sedley Road being a dangerous intersection. He offered some suggestions to assist in this matter.

Amendments to Agenda

Mayor Frank Rabil asked if there were any amendments to the agenda.

There were no amendments to the agenda.

Consent Agenda

Approval of January 24, 2022 minutes

Mayor Frank Rabil asked if there were any additions or corrections to the minutes from the February 28, 2022 regular City Council meeting.

Being there were no corrections to the minutes from the February 28, 2022 regular City Council meeting, Mayor Frank Rabil entertained a motion of approval.

Councilman Linwood Johnson made a motion to approve the minutes from the February 28, 2022 regular City Council meeting. The motion was seconded by Councilwoman Wynndolyn Copeland.

The motion carried the vote by 6-1.

The vote was as follows:

Mayor Frank Rabil	AYE
Vice-Mayor Robert (Bobby) Cutchins	AYE
Councilman Linwood Johnson	AYE
Councilman Mark R. Kitchen	AYE
Councilwoman Wynndolyn Copeland	AYE
Councilman Gregory McLemore	ABSTAIN
Councilman Ray Smith	AYE

Introduction of New Employees

Commissioner of the Revenue Department

City Manager Amanda Jarratt called Selenia Boone, Commissioner of Revenue to come forward to introduce the following new employee:

Danielle Jones – Real Estate Clerk

Cheryl Evans – Tax Auditor

Administration Department

City Manager Amanda Jarratt introduced Camara Jacobs, Human Resources Director.

Star Performer Award

City Manager Amanda Jarratt called Sarah Rexrode, Director of Human Resources to come forward to introduce the following Star Performer Nominee:

Director Rexrode stated Krystal Beamon was nominated for Star Performer Award and stated Ms. Beamon is an asset to the department and to the citizens of the City of Franklin. Her dedication to her job should be commended and recognized. Krystal has a truly giving and emphatic heart, and the Social Services Department as well as the City of Franklin are lucky to have her.

Resolution #2022-15 In Honor of Red Cross Month

Mayor Frank Rabil asked Councilman Mark R. Kitchen to read Resolution #2022-15, In Honor of Red Cross Month.

Mayor Frank Rabil entertained a motion to approve Resolution #2022-15, In Honor of Red Cross Month.

Councilman Linwood Johnson made a motion to approve Resolution #2022-15 In Honor of Red Cross Month. The motion was seconded by Councilwoman Wynndolyn Copeland.

Mayor Frank Rabil asked if there was any discussion.

Councilman Gregory McLemore stated he would like City Council to invite some of the Red Cross members and volunteers to one of the future City Council meetings in order to honor them for the work they perform.

The motion carried the vote by 7-0.

Mayor Frank Rabil stated that the motion passed unanimously.

Financial Matters

Budget Amendment 2022-13 and 2022-14

Budget Amendment #2022-13

City Manager Amanda Jarratt called Tracy Spence, Director of Finance to come forward and review the following;

1. The 2021 – 2022 City Budget will be amended to recognize additional Federal Emergency Management Performance Grant revenue in the amount of \$24,804.00 and appropriate such revenue for new use.
2. Adjust FY-22 expenditures in the amount of \$181,390.00 based on projections.
3. Fund the FY-21 CSA fund balance deficit in the amount of \$28,000.00 as reflected in the audit.

Mayor Frank Rabil entertained a motion to approve Budget Amendment #2012-13,

Councilman Linwood Johnson made a motion to approve Budget Amendment #2022-13. The motion was seconded by Councilman Mark R. Kitchen.

The motion carried the vote by 7-0.

Mayor Frank Rabil stated the motion passed unanimously.

Budget Amendment #2022-14

The 2021 -2022 City Budget will be amended in the amount of \$577,200.00 to appropriate School Operating Fund balance to Contingency Reserve as approved in February 14, 2022 Council meeting with restrictions.

Mayor Frank Rabil entertained a motion to approve Budget Amendment #2022-14.

Councilman Linwood Johnson made a motion to approve Budget Amendment #2022-14. The motion was seconded by Councilman Mark R. Kitchen.

The motion carried the vote by -5-2.

The vote was as follows:

Mayor Frank Rabil	AYE
Vice-Mayor Robert (Bobby) Cutchins	NAY
Councilman Linwood Johnson	AYE
Councilman Mark R. Kitchen	AYE
Councilwoman Wynndolyn Copeland	AYE
Councilman Ray Smith	AYE
Councilman Gregory McLemore	ABSTAIN

Old / New Business

2021 Crime Report

City Manager Amanda Jarratt called Steve Patterson, Chief of Franklin City Police Department to come forward and present the following:

City of Franklin Part 1 Offenses 2020 vs. 2021

- Overall comparison of 2020 vs. 2021 lead to an overall reduction of Part 1 offenses in the City of Franklin.
- In 2020 there were 308 reported Part 1 Offenses.
- In 2021 there were 299 reported Part 1 Offenses.
- The decrease of 9 reports has resulted in a 3% decrease in Part 1 offenses.

Homicide

- July 8^t, 2021:
 - 1698 Dorchester Street
 - Shooting Victim
 - Still an active investigation
- November 17th, 2021:
 - 307 Forrest Pine Road
 - Shooting Victim
 - Suspect Charged

Rape

- Due to sensitivity of the alleged crimes limited information to privacy.
- Both victims were suffering from mental deficiencies at the time of allegations.
- No charges were able to be obtained due to lack of cooperation from the victim throughout the investigation.

Robbery

January	1698 Dorchester St.	False Report	Victim Arrested
May	Stonewall St.	Domestic	Suspect Arrested
May	South St.	Individual	Inactive
October	Council Drive	Individual	Suspect Arrested

Aggravated Assault

- Aggravated Assaults saw a huge increase between 2020 and 2021
- There were 9 Aggravated Domestic Assaults
- Aggravated Domestic Assaults
 - Weapons used: 6 personal weapons, 3 knives
 - Outcomes: 8 arrested and charged, 1 victim refused to cooperate
- **Aggravated Assaults**
 - Weapons used: 6 personal weapons, 4 knives, 10 handguns, 1 BB gun
 - Outcomes: 9 arrested and charged, 5 victims refused to cooperate on file, 3 inactive, 1 CWA no charges,

Burglary

- January: North High Street
- February: Railroad Avenue
- March: West 3rd Avenue, North College Drive (B) (CBA)
- April:
- June: Pretlow Street, Bruce Street
- July: Mariner Street, Pearl Street, Council Drive (B) (CB)
- August:
- September: Pretlow Street
- October: Forrest Pine Road (2), Cool Springs Street, Armory Drive / Council Drive (B)
- November: Pace Street, Norfleet Street (2), Regency Lane, Bogart Street, South High Street
- December: Pretlow Street

Quality of Life Crimes

- Quality of life crimes are tracked internally.
- At times, these crimes are more of a proactive response than a reactive response.
- The Franklin Police Department compared the following crimes from 2021:
 - Drug / Narcotics Offenses
 - Weapon Law Violations
 - Drunkenness
 - Gun Shots fired

Quality of Life Crimes

Offense	2020	2021
Drug / Narcotics Offenses	89	75
Weapon Law Violations	74	120
Drunkenness	19	19
Gun Shots Fired	25	20

Arrests and Summonses

- Additional statistics which are important to public order are listed below:
 - DUI Arrests
 - Traffic Accidents
 - Traffic Summonses Issued
 - Total Arrests

Arrests and Summonses

Item	2020	2021
DUI Arrests	26	20
Traffic Accidents	137	127
Traffic Summonses Issued	717	941
Total Arrests	460	509

Mayor Frank Rabil asked the status of enforcing the Truck Ordinance.

Chief Patterson answered the department issues a summonses as frequently as possible,

Communications Center Calls Received

Call Type	2020	2021
Police CFS / E-911	23,862 / 6,763	25,874 / 7,101
Self-Initiated	16,862	17,753
Fire / EMS	2,043	2,007
Other	1,197	1,759
Total	27,102	29,640

***These calls are included in the Police CFS category.**

Conclusion

- Our first full year of COVID and new police reform measures have affected our community.
- 2021 Part 1 Crime is down 3.0%.
- Aggravated Assaults are higher this year but when looking at cities in the Hampton Roads area we still do not see the violent crimes they do.
- Arrests and summonses have increased.
- Calls handled by the Communications Center have increased and will be monitored in the future.

Health Insurance Renewal

City Manager Amanda Jarratt stated the City of Franklin is a member of the Local Choice program. The City received their renewal for the 2022 -2023 fiscal year and are receiving a 1.7% increase. For the fiscal year 2021 – 2022 we received a decrease of 4% and prior to that a decrease of 4.9%. This minimal increase was to be expected given that during the previous three fiscal years the City received a decrease of 11%. The City of Franklin must submit their renewal documentations no later than March 25, 2022. City Manager Jarratt stated staff recommends that City Council accept the renewal rate and also recommends that City Council assume the 1.7% increase at the time of budget adoption.

Councilman Linwood Johnson made a motion to accept the health insurance renewal proposal and execute the required documents.

The motion was seconded by Councilman Mark R. Kitchen.

The motion carried the vote by 7-0.

Mayor Frank Rabil stated the motion passed unanimously.

City Manager added that this recommendation includes the Optima option as well as the Anthem option.

Southampton County Courthouse Update

City Manager Amanda Jarratt stated the judges have indicated to Mike Johnson, Southampton County Administrator that the Circuit Court will not only conduct all jury trials at Hunterdale, but all bench trials as well. This should provide substantial operational savings in not having to transport trial participants to Isle of Wight or Suffolk, and not having to provide court security in those remote locations.

Asbestos abatement at the Courthouse is expected to conclude later this week. Structural demolition is ongoing; the former Records Room and Circuit Court Clerk's Office have already been demolished and removed. The next section scheduled for demolition is the lobby connector between the 1834 Courthouse and the two-story 1960's addition. Interior demolitions for the portions of the building that are slated for renovation have commenced and are proceeding well. Foundations for the new building additions are still on schedule for April / May.

Southampton County has processed the contractor's first three pay applications and paid them roughly \$1.5 million thus far.

City Manager's Report

City Manager Amanda Jarratt gave the following updates:

General Updates

- The City of Franklin staff continues to work with local, regional, and state partners to battle the impacts of COVID-19 and provide testing and vaccinations throughout the City. The City is currently seeing a large spike in cases locally and encourage individuals to remain vigilant.
- Anixter will have two technicians onsite starting next week to do the installation of the new AMI meters. This is a huge step in the implementation of this project.
- City Manager Jarratt gave the following annual airspace report for the SPSA landfill.

2021 Airspace Utilization Update

The Purpose

- To determine disposal space consumed over a period.
- To determine remaining disposal area.
- To determine compaction ratio.
- Ensures the fill plan is being followed.
- Better understand Operational Efficiency
- Planning Tool

The Process

- Perform flyover with drone to gather topographic information (elevations).
- Perform ground survey if needed.
- Use information gathered to develop 3-D drawings.
- Compare new drawings to previous drawings to determine cubic yards of airspace consumed.
- Compare new drawings to final elevation drawings to determine airspace remaining.
- Gather weights of all incoming material.
- Determine the number of pounds per cubic yard of airspace consumed.
- Convert to Airspace Utilization Factor (AUF).

What Impacts AUF?

- Type of Material
- Density of Material
- Moisture Content of Material
- Compaction Quality
- Amount and Type of Cover Used

Data Through December 2021

• Total Material Landfilled in 2021	305,222 tons
• Total Volume of Landfill Consumed	343,303 CY
• Pounds / Cubic Yard	1, 778
• AUF	.89
• Remaining Capacity	2.64 million CY
• Life Expectancy (Cells V and VI)	May 2027

Compaction Rate and Airspace Utilization Factor

Comparison Rate	Airspace Utilization Factor
1,000	.5
1,200	.6
1,400	.7*
1,600	.8
1,800	.9*
2,000	.10

*.7 AUF is industry Benchmark.

*.9 Cells V & VI AUF is .89.

City Manager Jarratt stated she would invite Mr. Dennis Bagley, Deputy Executive Director to attend a future City Council meeting for more in depth information concerning the flyover and wheelabrator.

City Manager Amanda Jarratt informed City Council that she and staff had attended a meeting with DEQ regarding the City of Franklin’s ground water withdrawal permit and she will be scheduling a future work session regarding this subject.

In response to the request to have a redistricting map with four majority minority districts City staff and staff from the Hampton Roads Planning District Commission developed a third option. City Manager Jarratt expressed her concerns about the way this was accomplished and the disruption to every ward. There was extensive discussion by City Council about whether or not to include the third option for consideration.

Community Events

- Franklin Garden Club and Spring Fest are scheduled for April 23, 2022.
- Lumberjack Festival is scheduled for May 7, 2022.

Council / Staff Reports on Boards / Commissions

Mayor Frank Rabil asked if any City Council members had anything to report on Council Staff Reports or Boards and Commissions.

Councilman Gregory McLemore thanked Mayor Frank Rabil for attending the Black History Program.

Closed Session

Being there were no more items to discuss Mayor Frank Rabil entertained a motion to go into closed session.

Councilman Mark R. Kitchen moved that the City of Franklin, Virginia City Council adjourn into a closed meeting pursuant to Virginia Code Section 2.2-3711-A-1, 1. Discussion of appointments to boards and commissions, and discussion of performance of employees of the public body to discuss the following subject or subjects: Franklin Redevelopment and Housing Authority Board of Commissioners, Industrial Development Authority, Board of Zoning Appeals, Southeastern VASAP – Virginia Alcohol Safety and Action Program and

2.2-3711-A-5, Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community specifically along Pretlow Industrial Park, Armory Drive, Downtown Franklin, and Franklin Regional Airport.

2.2-3711-A-7, Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body specifically regarding, health insurance of a City retiree, and Sanford vs. City of Franklin

The motion was seconded by Councilwoman Wynndolyn Copeland.

City Council went into closed session at 8:29 p.m.

Motion Upon Returning to Open Session

Councilman Mark R. Kitchen moved that the City of Franklin, Virginia City Council certify that to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting held on February 28, 2022; (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed considered by the City of Franklin, Virginia City Council; and (iii) no action was taken in closed meeting regarding the items discussed.

The motion was seconded by Councilwoman Wynndolyn Copeland.

There was no general consensus of Council.

Adjournment

Mayor Frank Rabil entertained a motion to adjourn the February 28, 2022 regular City Council meeting.

Councilman Gregory McLemore made a motion to adjourn the February 28, 2022 regular City Council meeting.

The motion was seconded by Councilwoman Wynndolyn Copeland.

The February 28, 2022 regular City Council meeting adjourned at 8:50 p.m.

Mayor

Clerk of City Council

MINUTES FROM THE MARCH 14, 2022 REGULAR CITY COUNCIL MEETING

The Franklin City Council held a Budget Work Session meeting on March 14, 2022 at 6:00PM in the City Council Chambers located at 207 West Second Avenue, Franklin, VA 23851.

Council Members in Attendance: Frank Rabil, Mayor; Robert “Bobby” Cutchins, Vice-Mayor; Councilwoman Wynndolyn Copeland; Councilman Ray Smith; Councilman Gregory McLemore

Council Members not in Attendance: Councilman Linwood Johnson

Staff in Attendance: Amanda Jarratt, City Manager and A’Risha Jones, Executive Assistant, recording minutes

Other Staff in Attendance: Steve Patterson, Chief of Police; Vernie Francis, Chief of EMS; Dinah Babb, City Treasury; Selenia Boone, Commissioner of the Revenue; Sarah Rexrode, Director of Social Services, Tracy Spence, Director of Finance, Chad Edwards, Director of Public Works, Zackary Wright, Director of Power & Light; Sammara Green-Bailey, Director of Parks & Recreation

Call to Order

Mayor Frank Rabil called the March 14, 2022 Budget Work Session meeting to order at 6:00PM

Mayor Frank Rabil gave the floor to City Manager Amanda Jarratt to discuss the recommended Budget for FY 22-23

City Manager Amanda Jarratt thanked the City council for their patience as she presented the recommended budget for the upcoming year.

A series of budget works sessions are in the works and additional sessions may be scheduled if the Council feels that it is necessary to do so.

Upcoming joint work sessions with the Franklin City Public Schools is also on the calendar.

City Manager Amanda Jarratt thanked all of the City Department Heads for their work on the budgets and getting the reports submitted.

Requested General Fund Budget: Where We Started

The FY 22 budget as amended because throughout the year various things have come about in terms of request and carryover, additional expenses. Bringing the FY 22 budget \$20.2 million, on point with expenditure request for this year.

We are projecting \$26.8 million in revenue which left us with a Delta of \$1.4 million.

Closing the Budget Gap: Primary Revenue Adjustments

One-time Revenue sources for the Cover Operational Expenditures:

Transfer from Enterprise Funds & Restricted Funds:

Electric Fund-Increase Transfer to \$1,799,993	\$360,600	
Water & Sewer Transfer	195,000	
Reserve for Debt Service	150,000	\$705,600
General Fund Unassigned Fund Balance		734,953
		\$1,440,553

City Manager Amanda Jarratt stated that the One-Time sources of revenue is not ideal, but is a resource that is available to the City. In the last two fiscal years, the City of Franklin has ended in a very strong financial position.

When City Manager Amanda Jarratt was first appointed City Manager, the City of Franklin was falling below the policy minimum for fund balance, but now we have far exceeded what the policy for fund balance calls for.

Closing the Budget Gap Primary Expenditure Adjustments

Expenditure Increases: 3% COLA to Employees	\$284,400
2% Raise to Employee	\$190,000
VRS Retirement Increase-1.67%	187,000
Health Insurance Increase-1.7%	95,000
Payroll Increase-To bring employees to minimum of \$13/hr.	80,7000
Fuel Inflationary Increase	90,600

Legislative Change: DSS Personnel 5% Raise-Local Share-Transfer 8,600

Total Preliminary Proposed Reductions \$936,300

City Manager Amanda Jarratt recommends the 3% COLA for all employees with a 2% raise. With this we can remain market competitive, with the caveat that the City of Franklin is in the midst of a pay study. A draft of that pay study is showing that a significant numbers of employees are under paid for the

market. These recommendations do not reflect information or recommendations from the pay study at this time. Recommending to move employees to minimum of \$13 per hour. 25 employees currently making less than \$13 per hours.

VRS Retirement is increasing 1.67% and Health Insurance is increasing 1.7%. In the past the health insurance has been split, but we have just gotten to where the City needs to be with the health insurance regarding affordability for the employees with the change that was made several months ago. City Manager Amanda Jarratt would not recommend making that problem worse again because that would undo what was done/fixed.

\$90,000 has been added for the inflation of fuel cost.

The Department of Social Services follows the State budget, what is heard that is recommend is 5% in the State budget, the General Assembly adjourned without a budget bill, a special session is being called, the City was told to expect the 5%

Councilman Ray Smith asked if the 3%COLA increase would be on top of the \$13/hour. City Manager Amanda Jarratt replied it would not be on top the of the \$13/hour, the employees would move to \$13/hour and then they would get the 2% raise.

Expenditure Reductions

ARPA Funded Personnel & Capital Outlay	(\$375,500)
Frozen vacancies/Delayed Hire	(\$321,500)
5% Reductions & Other Identified by Department Heads	(\$122,500)
Reduced Transfer to Economic Development-Funded by	(\$59,000)

Available Fund Balance per Audit

Total Preliminary Proposed Reductions (\$878,500)

City Manager Amanda Jarratt asked the Department Heads to cut 5% reduction to their budget over and above what was submitted. This does not apply to the Enterprise fund solely the General fund. Some positions where cut out and/or frozen.

Ended up with \$28.349 million in Revenues and Expenditures which leaves the General funds at 23.88%

General Fund Summary of Primary Revenue Changes from FY22 Amended Budget of \$28,204,784

The following is a breakdown of the Primary Revenue Changes with it being a General Assessment year, the City will anticipate that rates/assessments will increase.

City Manager Amanda Jarratt stated that we are counting WaWa’s and Starbucks revenue to come in. There are additional Community Development fees planned due to construction of homes by DR Horton throughout the City.

MINUTES FROM THE MARCH 14, 2022 REGULAR CITY COUNCIL MEETING

Revenue Increases	Amount
Real Estate Taxes	\$ 576,433
Personal Property Taxes	\$ 192,899
Local Taxes (Meal Taxes - WaWa & Starbucks)	\$ 242,093
Community Development Fees	\$ 43,200
EMS SoCo Contract Fees	\$ 64,326
Reserve for Debt Service	\$ 360,600
Total Revenue Increases	\$ 1,479,551
Revenue Reductions	Amount
Use of Fund Balance	\$ (523,981)
Transfer from Social Services	\$ (411,355)
Transfer from Solid Waste	\$ (100,000)
IOW Revenue Share	\$ (75,000)
Total Revenue Reductions	\$ (1,110,336)
PRIMARY REVENUE CHANGES	\$ 369,215

Expenditure Increases	Amount
Annualized Pay Increase - COLA & Raise-Current Employees	\$ 473,925
Retirement Increase - 1.67%	\$ 186,966
Medical Insurance Increase - 1.7%	\$ 95,000
Payroll Increase– To Bring Employees to Minimum of \$13/hour	\$ 80,700
Fuel Inflationary Increase	\$ 90,600
Transfer Increased Expense:	
Transfer to Social Services	\$ 592,588
Debt Service	\$ 61,000
Primary Expenditure Increases	\$ 1,580,779

Expenditure Reductions	Amount
Department Decreased Expense:	
All Departments-Council Approved CARES Projects	(407,303)
Real Estate Assessor	(61,200)
Western Tidewater Jail	(68,000)
Library	(22,800)
Other Reductions by All Departments	(122,348)
Frozen Positions/Delayed Hire:	
2 Police Officer Positions	(162,271)
1 Custodian Position & 1 Grounds Maintenance Worker Position	(89,076)
Assistant to the City Manager Position	(53,000)
Part Time Recreational Aid Position	(17,186)
Transfer Decreased Expense:	
Capital Projects	(615,000)
Primary Expenditure Reductions	(1,618,184)

FY23 Request Funded with ARPA Funding

	Amount
Fire Department:	
Engine 2 Replacement-Partial Payment	\$ 150,459
Vehicle	55,000
Turnout Gear	25,000
Communication Equipment	5,000
Police Department & E911:	
Vehicle for Academy & Administrative Use	27,000
Communication Equipment	29,000
Computer Equipment	20,000
Beautification Commission:	
Light Posts - Rehab	53,500
Subtotal	\$ 364,959
(Continued on next slide)	

	Amount
Subtotal from Prior Slide	\$ 364,959
Parks & Recreation:	
New Truck-F150	33,000
Vehicle	33,000
Armory Park pool renovations	45,000
MLK floor retiling	24,000
Upgrades and renovations to the King Center kitchen	20,000
Golf Cart	10,000
Total	\$ 529,959

Real Estate Tax Rate Analysis

- Proposed FY23 Real Estate Tax Rate will remain the same at \$1.03 per \$100 of assessed property value. This assumes there will be a 10% increase in assessment values.
- Each one cent on the Real Estate Rate=approximately \$59,916 at a 98.5% collection rate.

CALCULATION OF EACH ONE CENT ON THE TAX RATE (Assumption 98.5% Collection-Based on 10% Increase in Assessment)		
\$	0.98	\$ (299,582.23)
\$	0.99	\$ (239,665.78)
\$	1.00	\$ (179,749.34)
\$	1.02	\$ (119,832.89)
\$	1.03	\$ 59,916.45
\$	1.04	\$ 119,832.89
\$	1.05	\$ 179,749.34
\$	1.06	\$ 239,665.78
\$	1.07	\$ 299,582.23

General Fund Personnel Adjustments

City Manager Amanda Jarratt is proposing to freeze 2 Police Officer positions, there was some hesitation about this, but after consultation with Chief Steve Patterson, Franklin City Police Department, he feels with the number of applicants he feels we can be as successful as possible with those position frozen.

Personnel Action

Savings

Frozen Vacancies-Salaries & Benefits:

Police-Police Officers (2)	\$162,271
Building & Grounds-Custodian (1)	44,538
Building & Grounds-Grounds Maintenance Worker (1)	44,538
City Manager-Assistant to the City Manager	53,000
Parks & Rec- Program Specialist (1)	17,186

Total Savings \$321,533

Personnel Action

Cost

Budgeted increase in City share of Health Insurance Cost-General fund	(\$95,000)
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Total Cost (\$95,000)

History of Raises

Date of Raise	Percentage
7/1/2012	1.1% VRS Plan 1 Only
7/1/2013	1.1% VRS Plan 1 Only
7/1/2013	2%
7/1/2014	1.1% VRS Plan 1 Only
7/1/2015	1.1% VRS Plan 1 Only
9/1/2015	2%
7/1/2016	1.1% VRS Plan 1 Only
12/1/2016	2%
7/1/2018	2%
11/1/2020	2%

City Manager Amanda Jaratt with speaking with some of the staff and the pay study process has been enlightening. A trash truck driver brought in has only a difference of \$3,000 from 2011 to 2022. The same for Firefigthers with only a difference of \$6,000 from 2007 to 2022.

Councilman Ray Smith wanted to go back a little and clarify that the \$1.79 million taken from the Electric Fund is put in the General Fund. City Manager Amanda Jarratt confirmed and stated that they would go into that a further in closer towards the end.

General Fund

The following is an analysis of the fund balance over time. From 2017 to 2021 from the audit. The 23.88% is with the assumptions that the transfer that is recommended to balance the budget.

Fiscal Year	Unassigned Fund Balance	Budgeted Expenditures	Ratio
2023 Projected	\$6,770,106	\$28,349,356	23.88%
2022 Projected	\$7,505,059	\$28,204,784	26.61%
2021 per Audit	\$8,584,579	\$27,015,543	31.78%
2020 per Audit	\$6,549,082	\$26,326,947	24.88%
2019 per Audit	\$4,815,905	\$24,369,338	19.76%
2018 per Audit	\$4,189,190	\$24,322,449	17.22%
2017 per Audit	\$5,055,159	\$23,324,065	21.67%

Additional Analysis

<i>Unassigned Fund Balance, 6.30.22 PROJECTED</i>		\$	7,505,059
<i>Approp for FY23</i>			(734,953)
<i>Approp for FY24:</i>			
<i>Approp for 23</i>	\$	(734,953)	
<i>One-Time Revenue Sources</i>		<u>(705,600)</u>	<u>(1,440,553)</u>
<i>(Note: In FY24, can no longer use one-time revenue sources of \$705,600 identified on slide 3)</i>			
<i>(Note: the increase in debt service begins in FY25-\$153k)</i>			
			<u>5,329,553</u>
<i>General Fund Balance Policy Evaluation</i>			
<i>Revised Budget (Assumption: Budget doesn't Change)</i>	\$	28,349,356	
<i>Percentage of General Fund Balance</i>			18.80%
<i>Minimum Balance Needed for 15% Policy Compliance</i>	\$	4,252,403.40	
<i>Amount In Excess of Policy Minimum</i>	\$		1,077,150

Tracy Spence, Director of Finance put together the above information showing that if the City is to use the appropriation this year, then we would not be able to use in FY24. It can be done for FY23 and it will still be healthy.

Fuel Inflationary Increase

	FY23
	Fuel Increase
General Fund	\$ 90,600
Water & Sewer Fund	15,120
Solid Waste Fund	25,200
Electric Fund	86,400
	<u>\$ 217,320</u>

There has been a 72% increase budgeted for fuel costs. The City does not pay federal or state taxes on gasoline purchases, therefore, it pays approximately 22% less than retail. The budget is based on the retail equivalent of \$6.00 per gallon of gasoline.

FY22-23 Recommended Budget Enterprise Funds: Water & Sewer, Solid Waste, Airport & Electric

Water & Sewer Balanced Budget:

- Revenues & Expenditures = \$3,388,000, which is \$14,577 more than the FY21-22 budget.
- Capital spending is \$381,804 compared to \$324,836 in FY21-22

City Manager Amanda Jarratt stated that there is no recommended increase in the City's Water & Sewer rates. We are having this budget recommendation for rates study to be done because we know that the current rates are not a place where we are able to reinvest properly in our system.

- No increase has been budgeted for the City's Water & Sewer rates
- Operational transfer to General Fund has been budgeted of \$195,000
- Fund Policy Evaluation: 33.3%-Council guidelines of 15%-25% have been met

Solid Waste Fund Balanced Budget:

- Revenues & Expenditures = \$1,438,874 which is \$135,443 more than the FY21-22 budget
- Includes funding for a new Garbage Truck at a cost of \$198,273

City Manager Amanda Jarratt stated that we are on schedule to purchase of new garbage trucks.

- No increase has been budgeted for the City's Solid Waste rates.

City Manager Amanda Jarratt stated that there has been no increase in Solid Waste fee even though the tipping fee is going up to \$57, we are absorbing that again this year.

- Fund Policy Evaluation: 34.71%-Council guidelines of 25%-40% have been met

Airport Fund Balanced Budget:

- Revenues & Expenditures = \$201,253 which is \$179,590 less than the FY21-22 budget due to reduction in Federal Grants

City Manager Amanda Jarratt stated that this one will flow because of the Federal grants that comes into the Airport and the required matches. There was a meeting with the Virginia Department of Aviation and the FAA regarding the obligation that we have towards the Airport and FY24 year. Mainly regarding runway maintenance and tree removal.

Councilman Gregory McLemore asked are we making money with the Airport or is it costing us money and if it is costing us money, will it be until the FY24 year. City Manager Amanda Jarratt answered that it is costing money, we do not have a projection at this time to show if we will break even. And there would possibly be a continue cost.

- Transfer from the General Fund of \$65,713 has been budgeted to support the Airport operations

Electric Fund Balanced Budget:

- Balanced Budget of \$16,879,830
 - Increase from FY21-22 budget of \$1.53 million or 10% which is directly related to energy costs
 - Includes \$600k "true-up" to Dominion

City Manager Amanda Jarratt stated that it is recommended that there be a 2% increase to the City's electric rates. Dominion continues to go up on their rates and the City continues to absorb it with the garbage fund with SPSA and it is at a point where we can't continue to just absorb the cost and maintain the fund balance at the appropriate level.

- 2% increase has been budgeted in the City's Electric rates.
- Operational transfer to General Fund has been budgeted of \$360,600
- Fund Policy Evaluation: 20.69%-Council guidelines of 15%-25% have been met

Other City Funds

Economic Development Balanced Budget

- Revenues & Expenditures = \$279,904 which is comparable to the FY21-22 budget of \$286,796
- Transfer from General Fund has been budgeted of \$100,000; same as FY21-22

Social Services Fund Budget Notes

- City’s local match requirement FY23 budget is \$592,628 compared to FY21 current budget of \$603,377; a decrease of \$10,749
- Total DSS budget: \$2,730,625
 - General Fund monies supports 21.7% of the total DSS budget
- Budget includes a 5.0% state salary increase effective 7/1/22

FY22-23 Debt Service Obligation (All Funds) Compared to FY21-22 Budget

Fund	FY 21-22	FY 22-23	Budget Variance FY22-23 over FY 21-22
General Debt	\$ 700,999	\$ 763,820	\$ 62,821
School Debt	\$ 434,959	\$ 433,109	\$ (1,850)
Tax Supported Debt	\$ 1,135,958	\$ 1,196,929	\$ 60,971
Water & Sewer Debt	\$ 367,055	\$ 381,325	\$ 14,270
Solid Waste	\$ 6,888	\$ 28,741	\$ 21,853
Electric Debt	\$ 340,049	\$ 370,560	\$ 30,511
Total Enterprise Debt	\$ 713,992	\$ 780,626	\$ 66,634

City Manager Amanda Jarratt stated that because of the borrowing that the City had to do for the Courthouse, we knew that it was going to hit this year. The first year with no penny increase and this year will be a penny increase and next year the schedule is for a 2 penny increase.

Capital Improvement Budget

City Manager Amanda Jarratt stated that the bid opening the cost of the Southampton County Courthouse, The City of Franklin share was over \$1 million what we were told it would and what was borrowed for. The plan was not having to borrow for that but use the proceeds from the Global Concentrate or the successful of a healthy fund balance. Those bills have not come due just yet.

Two of the biggest things for the City is our Courthouse and what is done for the Armory and secondly, a few years later the Fire and Rescue Department. This was the only one that was taken care of when the flood happened. There are items regarding public safety and items that are necessary to successfully and safely operate the City.

MINUTES FROM THE MARCH 14, 2022 REGULAR CITY COUNCIL MEETING

Councilman Gregory McLemore asked what part is the Armory listed under. City Manager Amanda Jarratt referred Councilman McLemore to Parks and Recreation section of the chart.

CITY OF FRANKLIN, VA – PROPOSED
CAPITAL IMPROVEMENT PROGRAM
FY 2022-23 TO FY 2026-27

Project Description	Anticipated Revenue Source FY 23	FY23 Request	FY 24 Request	FY25 Request	FY 26 Request	FY 27 Request	Unfunded	5-Year CIP Cost FY 23-27
GENERAL ADMINISTRATION								
1 Voting Machines	Local				100,000			100,000
2 Franklin JDR & General District Court Renovations Preliminary Design	2019B Proceeds	80,000						80,000
3 Franklin JDR & General District Court Renovations	Financing		1,000,000	1,000,000				2,000,000
TOTAL GENERAL GOVERNMENT		80,000	1,000,000	1,000,000	100,000	0	0	2,180,000
PUBLIC SAFETY								
4 Engine 2 Replacement	Local	650,000						650,000
5 Medic 3 Replacement	Local				330,000			330,000
6 Land Acquisition-New EMS Building	Financing			500,000				500,000
7 New Emergency Services Building	Financing			80,000	4,250,000	4,250,000		8,580,000
TOTAL PUBLIC SAFETY		650,000	0	580,000	4,580,000	4,250,000	0	10,060,000
PUBLIC WORKS								
8 Drainage System Improvements	State	100,000	300,000	300,000	300,000	300,000	1,500,000	3,000,000
9 Street Improvements	State	378,556	500,000	500,000	500,000	500,000	2,500,000	2,378,556
10 Traffic Signal Upgrades	State	50,000	50,000	50,000	50,000	50,000	250,000	250,000
Transportation Safety/Street Projects								
11 Street Improvement Paving per Pavement Condition Analysis & Management Report	Local & State		815,000	870,000	915,000	760,000	4,985,000	9,360,000
12 Intersection Improvements Per Comp Plan	Local & State		220,000	220,000	220,000	220,000		880,000
13 North High Street Widening	Local & State					3,200,000		3,200,000
14 Hunterdale Road Widening	Local & State					3,600,000		3,600,000

CITY OF FRANKLIN, VA – PROPOSED
CAPITAL IMPROVEMENT PROGRAM
FY 2022-23 TO FY 2026-27

Project Description	Anticipated Revenue Source FY 23	FY23 Request	FY 24 Request	FY25 Request	FY 26 Request	FY 27 Request	Unfunded	5-Year CIP Cost FY 23-27
15 Fairview Drive Widening	Local & State					1,200,000		1,200,000
16 Bobwhite Lane Connector to High Street	Local & State					1,600,000		1,600,000
TOTAL PUBLIC WORKS		528,556	1,885,000	1,940,000	1,885,000	11,490,000	9,235,000	17,768,556
COMMUNITY DEVELOPMENT								
TOTAL COMMUNITY DEVELOPMENT		0	0	0	0	0	0	0
PARKS & RECREATION								
17 National Guard Armory Gym Renovations Preliminary Design	2019B Proceeds	100,000						100,000
18 National Guard Armory Gym Renovations			1,000,000	1,000,000				2,000,000
TOTAL PARKS & RECREATION		100,000	1,000,000	1,000,000	0	0	0	2,100,000
SOLID WASTE FUND								
19 Collection Truck Replacements	User Fees-\$150,852 Fund Balance-547,421	198,273					1,000,000	198,273
TOTAL SOLID WASTE FUND		198,273	0	0	0	0	1,000,000	198,273
ELECTRIC FUND								
20 Replacement of Unit 11-1 Truck	User Fees		200,000					200,000
21 Replacement of Unit 8-1 Truck	User Fees	300,000						300,000
22 Tree Chipper	User Fees		50,000					50,000
23 Canterbury Charles Street Underground Update	Financing		500,000	500,000				1,000,000
TOTAL ELECTRIC FUND		300,000	750,000	500,000	0	0	0	1,550,000

MINUTES FROM THE MARCH 14, 2022 REGULAR CITY COUNCIL MEETING

CITY OF FRANKLIN, VA – PROPOSED CAPITAL IMPROVEMENT PROGRAM FY 2022-23 TO FY 2026-27

Project Description		Anticipated Revenue Source FY 23	FY23 Request	FY 24 Request	FY25 Request	FY 26 Request	FY 27 Request	Unfunded	5-Year CIP Cost FY 23-27
WATER & SEWER FUND									
24	Sewer System Rehabilitation	User Fees	276,804	250,000	250,000	250,000	250,000	1,250,000	1,276,804
25	Water System Improvements	User Fees	35,000	150,000	150,000	150,000	150,000	750,000	635,000
26	Wastewater Treatment Plant Upgrades	User Fees	80,000	100,000	100,000	90,000	80,000	400,000	450,000
TOTAL WATER & SEWER FUND			391,804	500,000	500,000	490,000	480,000	2,400,000	2,361,804
EDUCATION FUND									
PENDING SUBMISSION BY FCPS									0
TOTAL EDUCATION			0	0	0	0	0	0	0
TOTAL ALL FUNDS			2,248,633	5,135,000	5,520,000	7,155,000	16,160,000	12,635,000	36,218,633

Franklin City Public Schools

City Manager Amanda Jarratt sent the initial request to the Council members from the Franklin City Public Schools, their budget request. What has been put in as a number for the overall City budget is to fund them at is the \$4.8 million level. The FCPS did request funds in excess of that amount, the rationale from administration is the history of the carryover they've had and the way the budget is being balanced, non-sustainable use of the funds.

The FCPS gave a very detailed presentation during the meeting in December about their capital needs that they see as necessary in future years. We now have a list of items and priorities that the FCPS feels need to be addressed. City Manager Amanda Jarratt has no recommendation for the funding at this point in time, this is going to require debt service with the local match for what was submitted was \$3.9 million of those \$4 million.

FRANKLIN CITY PUBLIC SCHOOLS						
Most Urgent Capital repairs for 2022-2023						
DESCRIPTION	LOCATION	Orig Est	Priority 2022	Revised Estimate	ESSR III Avail	Local
Roofing Replacements and Repairs	Franklin High School	\$200,000	1	\$933,000	\$0	\$933,000
Parking Lot Paving	Franklin High School	\$70,000	2	\$70,000	\$0	\$70,000
Refresh Breezeways (Security per VDOE)	Franklin High School	\$20,000	3	\$20,000	\$0	\$20,000
Bathroom Demo & Refurbish	Franklin High School	\$600,000		\$837,375	\$600,000	\$237,375
Plumbing Repairs and Replacement	JP King Middle School	\$40,000	1	\$70,000	\$0	\$70,000
Auditorium Duct Cleaning and Repair	JP King Middle School	\$25,000	2	\$25,000	\$0	\$25,000
Modular Demo & Purchase	JP King Middle School	\$400,000	3	\$574,358	\$500,000	\$74,358
Parking Lot Paving	JP King Middle School	\$90,000	4	\$90,000	\$0	\$90,000
Bathroom Demo & Refurbish	JP King Middle School	\$580,000		\$913,500	\$580,000	\$333,500
Roofing Replacements and Repairs	SP Morton Elementary	\$750,000	1	\$933,000	\$0	\$933,000
1/2 COST Cooling tower SPM Local Match	SP Morton Elementary	\$200,000	2	\$200,000	\$0	\$200,000
Modular Demo & Purchase	SP Morton Elementary	\$800,000	3	\$986,854	\$900,000	\$86,854
Parking Lot Paving	SP Morton Elementary	\$30,000	4	\$30,000	\$0	\$30,000
Window repair	SP Morton Elementary	\$750,000	5	\$750,000	\$0	\$750,000
Gym floor replacement at SPM	SP Morton Elementary	\$60,000		\$117,500	\$0	\$117,500
Scissor Lift for all schools	All schools			\$20,000	\$0	\$20,000

File locator: CIP folder / Capital Improvement Plan for FY 2021-2027 Tab 2



Submitted at March 3rd
School Board Meeting:
Total: \$3,990,587

MINUTES FROM THE MARCH 14, 2022 REGULAR CITY COUNCIL MEETING

Contributions to Agencies & Organizations

City Manager Amanda Jarratt stated that we kept everyone that submitted request back to last year’s levels because of the way we are balancing the budget.

CITY OF FRANKLIN, VIRGINIA CONTRIBUTIONS TO AGENCIES & ORGANIZATIONS										
Name of Organization (City Council Budget)	Requested	Adopted	Requested	Adopted	Requested	Adopted	Requested	Adopted	Requested	Percent
	FY 2019-2020	FY 2019-2020	FY 2020-2021	FY 2020-2021	FY 2021-2022	FY 2021-2022	FY 2022-2023	FY 2022-2023	FY 2022-2023	Increase (Decrease)
Blackwater Community Events	\$ -	\$ -	\$ -	\$ -	\$ 6,500.00	\$ 6,500	6,500	\$ 6,500	-	0%
Boys & Girls Club	7,500	5,000	7,500	4,500	7,500	4,500	7,500	4,500	(3,000)	-40%
Chesterfield County Fire & EMS Med Flight	1,800	-	200	-	200	-	900	-	(500)	-100%
Children's Center	3,400	-	3,400	-	3,400	-	3,400	-	(3,400)	-100%
Cover 3	9,400	-	9,400	-	9,400	-	250,000	1,000	(249,000)	-100%
Downtown Franklin Association	55,000	20,000	65,000	20,000	55,280	6,500	-	-	-	0%
Independence	3,400	-	3,400	-	3,400	-	2,000	-	(2,000)	-100%
Fifth District CASA Program-Voces for Kids	3,000	2,000	3,000	1,800	3,000	1,800	5,000	1,800	(3,200)	-64%
Franklin Experience Inc.	-	-	-	-	6,500	5,000	6,500	5,000	(1,500)	-23%
Genieve Shelter	8,000	5,000	10,000	4,500	10,000	4,500	10,000	4,500	(5,500)	-55%
H.R. Military & Federal Facilities Alliance	4,287	4,287	4,184	3,813	4,181	4,181	4,361	4,131	(80)	-1%
Hampton Roads Workforce Council (Opportunity Inc.)	2,128	2,128	2,128	1,911	2,128	2,128	2,086	2,086	-	0%
P. D. C. C.	11,785	11,785	13,000	13,000	13,000	13,000	13,000	13,000	-	0%
Rawls Museum Arts - Net Grant	15,000	5,000	10,000	4,500	15,000	5,000	15,000	5,000	(10,000)	-67%
Senior Services of Virginia	9,676	6,699	9,676	5,999	10,000	6,000	15,000	6,000	(9,000)	-60%
Smart Beginnings- Western Tidewater	15,000	15,000	15,000	13,500	15,000	13,000	15,000	13,000	(2,000)	-13%
STOP Incorporated	15,000	-	15,000	900	9,145	1,000	1,000	1,000	-	0%
Virginia Legal Aid Society, Inc.	4,798	-	4,494	-	4,494	-	5,000	-	(5,000)	-100%
Western Tidewater Free Clinic	39,000	4,000	41,600	3,600	40,800	3,600	43,900	3,600	(40,300)	-92%
Totals	\$ 202,057	\$ 80,908	\$ 210,887	\$ 78,017	\$ 214,713	\$ 76,484	\$ 405,497	\$ 71,067	\$ (334,430)	-32%
Other Agencies (Various Departments)										
5th District Court Serv- Juvenile Detention	\$ 84,058	\$ 92,706	\$ 106,408	\$ 92,706	\$ 104,388	\$ 93,000	\$ 104,600	\$ 200,000	\$ 95,400	91%
Blackwater Regional Library	283,738	282,567	250,549	234,489	256,177	266,157	243,246	243,246	-	0%
Community Corrections Program-5th Judicial District	9,588	9,588	12,506	9,588	12,891	9,600	-	-	-	0%
Franklin Southampton Econ. Development, Inc.	125,000	125,000	125,000	100,000	100,000	100,000	100,000	100,000	-	0%
Franklin/Southampton Chamber	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	-	0%
Hampton Roads Planning District Comm.	19,510	19,510	19,444	19,444	18,997	18,997	19,654	19,654	-	0%
Health Department	110,000	110,000	125,000	110,000	110,000	110,000	104,252	104,252	-	0%
Joint Operations - Southampton County	317,069	317,069	276,485	276,485	271,110	271,110	274,958	274,958	-	0%
Western Tidewater Community Services Board	38,109	36,958	54,666	33,262	48,187	33,262	42,468	33,262	(9,207)	-23%
Western Tidewater Regional Jail	948,013	948,013	1,021,052	1,021,052	1,021,052	1,021,052	970,457	970,457	-	0%
Totals	\$ 1,953,575	\$ 1,985,925	\$ 2,009,984	\$ 1,925,900	\$ 1,961,992	\$ 1,981,678	\$ 1,898,131	\$ 1,954,324	\$ 66,349	3%

City Manager Amanda Jarratt stated that this is the first of several discussions that the Council will have. Any questions that the City Council may have, the Department Heads are available tonight to answer those questions.

There were no questions at that time for the Department Heads.

City Manager Amanda Jarratt asked that if there were any questions for her regarding any of the information given tonight, to please email/text and she will give detailed answer to all members during Friday update.

Mayor Frank Rabil asked members of the Council to please take a good look at the information given and to please follow up with City Manager Amanda Jarratt with any questions via email or text.

City Manager Amanda Jarratt reminded the City Council that we will meet again at 6:00PM in 2 weeks. Meeting with the FCPS will be on the 31st of March and several others that are tentative. We are planning the May 9th adoption, so final decisions need to be made at least by the last week of April so that an ad may be placed.

Mayor Frank Rabil adjourned the March 14, 2022 Work Session.

March 14, 2022 Work Session adjourned at 6:35PM.

Mayor

Clerk to City Council

MINUTES FROM THE MARCH 14, 2022 REGULAR CITY COUNCIL MEETING

The Franklin City Council held a regular City Council meeting on March 14, 2022 at 7:00PM in the City Council Chambers located at 207 West Second Avenue, Franklin, VA 23851.

Council Members in Attendance: Frank Rabil, Mayor; Robert “Bobby” Cutchins, Vice-Mayor; Councilman Linwood Johnson; Councilwoman Wynndolyn Copeland; Councilman Ray Smith; Councilman Gregory McLemore

Staff in Attendance: Amanda Jarratt, City Manager and A’Risha Jones, Executive Assistant, recording minutes

Other Staff in Attendance: Steve Patterson, Chief of Police; Vernie Francis, Chief of EMS; Dinah Babb, City Treasurer; Selenia Boone, Commissioner of the Revenue; Sarah Rexrode, Director of Social Services, Tracy Spence, Director of Finance, Chad Edwards, Director of Public Works, Zachary Wright, Director of Power & Light; Sammara Green-Bailey, Director of Parks & Recreation; Regina Brown, Treasury’s Department;

Call to Order

Mayor Frank Rabil called the March 14, 2022 City Council meeting to order at 7:00PM

Citizen’s Time

1st Speaker

Pastor Keith Rose, Franklin, VA: Pastor Rose wanted to let the Mayor, Council members and citizens of Franklin that his group Brothers’ Keepers are active in the community with about 25-30 members that assist with court services, youth and other voluntary community services. They currently have a chapter in Hampton and would like to open nationwide.

Amendments to the Agenda

Mayor Frank Rabil asked if there were any amendments to the agenda.

There were no amendments to the agenda

Consent Agenda

Approval of February 14, 2022 Minutes from Regular City Council Meeting

Mayor Frank Rabil asked if there were any additions or corrections to the minutes from the February 14, 2022 regular City Council meeting.

Councilman Mark Kitchen made a motion to approve the minutes from February 14, 2022 regular City Council meeting. The motion was seconded by Councilman Linwood Johnson.

The motion carried the vote by 7-0

Mayor Frank Rabil stated that the motion passed unanimously.

Introduction of New Employees

City Manager Amanda Jarratt called Dinah Babb, City Treasurer to come forward and introduce the following new employee:

City Treasurer Babb introduced Regina Brown as the new Accounting Clerk with the City of Franklin Treasury's Department.

City Manager Amanda Jarratt reintroduced A'Risha Jones as the new Executive Assistant to City Administration. A'Risha Jones was promoted from Administrative Assistant to HR to her current position.

Councilman Gregory McLemore requested to Mayor Frank Rabil under Old Business if he would give him an opportunity to address the Brothers' Keeper. Councilman Gregory McLemore meant to address this when the Agenda was voting to be amended.

Mayor Frank Rabil agreed to entertain a motion to amend the agenda to include Councilman Gregory McLemore's request.

Councilwoman Wynndolyn Copeland and Councilman Linwood Johnson second the motion.

The motion carried the vote 7-0.

Financial Matters

Budget Amendment 2022-15

City Manager Amanda Jarratt reminded City Council that the first budget amendment was previously discussed during last City Council meeting as well as the Work Session.

City Manager Amanda Jarratt called Tracy Spence, Director of Finance to come forward and give the following overview of Budget Amendment #2022-15:

1. Transfer unappropriated surplus from the Electric Operating Fund to the Electric Capital Fund to cash fund projects that were previously debt funded:
 - a. AMI Metering Infrastructure Project \$1,500,000.00
 - b. SCADA Replacement Project \$ 280,000.00
2. Transfer unappropriated surplus from the Electric Operating Fund to the Electric Capital Fund to cash fund the increased cost of the Substation Expansion project in the amount of \$2,750,000; and
3. Appropriate \$750,000.00 Line of Credit proceeds to fund the increased cost of the Substation Expansion project.

Mayor Frank Rabil opened the floor for questions.

Councilman Ray Smith question was what is the minimum fund balance required. Tracy stated that it will bring it down to \$3.5 and has to be at 15% and will bring it to \$1.8 million.

City Manager Amanda Jarratt clarified that this is being transferred to pay a bill.

Mayor Frank Rabil asked for a motion for approval.

Councilman Linwood Johnson motioned to adopt Budget Amendment # 2022-15. The motion was seconded by Councilwoman Wynndolyn Copeland.

The motion carried the vote by 7-0.

Mayor Frank Rabil stated the motion was passed unanimously.

Budget Amendment 2022-16

Tracy Spence, Director of Finance gave the following overview of Budget Amendment #2022-16:

The 2021-2022 City Budget is hereby amended to recognize the School's supplemental appropriation of Federal revenue and to appropriate for use,

Mayor Frank Rabil opened the floor for questions. There were no questions at that time.

Councilman Gregory McLemore motioned to approve the Budget Amendment #2022-16. Councilwoman Wynndolyn Copeland second.

The motion carried the vote by 6-0-1

Mayor Frank Rabil	Aye
Vice-Mayor Bobby Cutchins	Aye
Councilman Linwood Johnson	Aye
Councilman Mark R. Kitchen	Aye
Councilman Gregory McLemore	Aye
Councilman Ray Smith	Abstained
Councilwoman Wynndolyn Copeland	Aye

Mayor Frank Rabil stated that the motion was carried.

Old/New Business

Mayor Frank Rabil gave the floor to Councilman Gregory McLemore.

Councilman Gregory McLemore wanted to welcome the Brothers' Keepers and commend them on their tremendous work that they are doing within the community. Councilman McLemore reached out to the Brothers' Keepers to get them involved in the redistricting process. Councilman McLemore also wanted to commend the City of Franklin City Manager, Amanda Jarratt, because of our City Manager there is no need to fight to get the third option included.

Mayor Frank Rabil also thanked the organization Brothers' Keepers, for their service within the community and the Commonwealth and eventually for the nation.

Adoption of the State of Emergency

City Manager Amanda Jarratt stated that during the last meeting the adoption of the State of Emergency was not adopted due to further discussion needed regarding the reasoning for the adoption. Councilwoman Wynndolyn Copeland made the motion to adopt and Councilman Linwood Johnson second, no vote was taken at that time.

Councilman Gregory McLemore moved to motion to adopt the State of Emergency. Councilman Linwood Johnson seconded the motion.

The motion carried the vote 7-0

Mayor Frank Rabil stated that the motion passed unanimously.

City Manager Report

City Manager Amanda Jarratt gave the following updates:

- Upcoming meetings for budget work sessions, school board meetings for budget work sessions.
- Update information will be given during Friday updates.
- Red Cross representative will attend the next meeting to give a general overview of their work.

General Updates:

- The City of Franklin staff continues to work with local, regional, and state partners to battle the impacts of COVID-19 and provide testing and vaccinations throughout the City. We are currently seeing a large spike in cases locally and encourage individuals to remain vigilant.
- Anixter is in the process of installing meters to allow us to implement the AMI system.
- Due to staffing issues the utility bills are going out later than normal. The due date has been extended to March 28th.
- The proposed redistricting maps have been placed at Franklin City Hall, the Franklin Police Department, the Martin Luther King Center, the Franklin Library and the YMCA for review by the public.

City Manager Amanda Jarratt suggested to schedule a public hearing for April 11th and Council Action on April 25th.

Mayor Frank Rabil asked if any questions or major objections regarding these dates. Councilman Gregory McLemore asked if we could have a second public hearing on the night of adoptions.

A second public hearing will be on April 25th with intended action.

Community Events:

- Franklin Garden Club and Spring Fest April 23rd
- Lumberjack Festival May 7th

Department of Parks & Recreation Events:

- Summer Jam Positions now Open
- St. Patrick's Day Market
- April Kids Day in the Park
- Easter Egg Hunt
- 3rd Annual Spring Breeze
- Super Summer Jam

Council/Staff Reports on Boards/Commissions

Mayor Frank Rabil asked if any Council members had any items to report on Council Staff reports on Boards and Commissions.

Councilman Linwood Johnson reported on the Western Tidewater Regional Jail Board.

MINUTES FROM THE MARCH 14, 2022 REGULAR CITY COUNCIL MEETING

Mayor Frank Rabil reported on the Hampton Roads Economic Development Alliance Annual report sent out by City Manager Amanda Jarratt.

There being no further items to discuss, Mayor Frank Rabil entertained a motion to go into closed session.

Councilman Mark R. Kitchen moved that the City of Franklin, Virginia City Council adjourn into a closed meeting pursuant to Virginia Code Section 2.2-3711-A1, 1. Discussion of appointments to boards and commissions, and discussion of performance of employees of the public body to discuss the following subject or subjects: Franklin Redevelopment and Housing Authority Board of Commissioners, Industrial Development Authority, Board of Zoning Appeals and

2.2-3711-A-5, discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community specifically along Pretlow Industrial Park, Armor Drive, Downtown Franklin, and Franklin Regional Airport.

2.2-3711-A-7, Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigation posture of the public body specifically regarding health insurance of a City retiree, and Sanford vs. City of Franklin.

A motion was made by Councilman Mark R. Kitchen with a second by Councilwoman Wynndolyn Copeland to certify the Closed Session.

The motion carried the vote 7-0

The vote was as follows:

Councilman Mark Kitchen	Aye
Councilwoman Wynndolyn Copeland	Aye
Councilman Linwood Johnson	Aye
Councilman Gregory McLemore	Aye
Mayor Frank Rabil	Aye
Vice-Mayor Bobby Cutchins	Aye
Councilman Ray Smith	Aye

Franklin City Council went into Closed Session at 7:20PM.

Closed Session

Council Members in Attendance: Frank Rabil, Mayor; Robert “Bobby” Cutchins, Vice-Mayor; Councilman Linwood Johnson; Councilman Mark R. Kitchen; Councilman Gregory McLemore; Councilwoman Wynndolyn Copeland; Councilman Ray Smith

Staff in Attendance: Amanda Jarratt, City Manager

Mayor Frank Rabil called the March 14, 2022 Closed Session to order

A motion was made by Councilman Mark R. Kitchen to go into closed session. The motion was seconded by Councilwoman Wynndolyn Copeland

The motion carried the vote 7-0

A motion was made to appoint Larry Keith Rose to the Board of Zoning Appeals-Ward 4 by Councilman Linwood Johnson. The motions was seconded by Councilwoman Wynndolyn Copeland.

The motion carried the vote 7-0

A motion was made by Councilwoman Wynndolyn Copeland to appoint Lt. Patrick Wilson to the Southeastern Virginia Alcohol Safety Action Program Policy Board. The motion was seconded by Councilman Linwood Johnson.

The motion carried the vote 7-0

A motion was made to appoint Justin Campbell to the Board of Zoning Appeals-At Large by Councilman Robert “Bobby” Cutchins. The motion was seconded by Councilman Ray Smith.

The motion carried the vote 6-1

The motion was as follows:

Mayor Frank Rabil	Aye
Vice-Mayor Bobby Cutchins	Aye
Councilman Linwood Johnson	Aye
Councilman Mark R. Kitchen	Aye
Councilman Gregory McLemore	Abstained
Councilwoman Wynndolyn Copeland	Aye
Councilman Ray Smith	Aye

Adjournment

A motion was made by Councilwoman Wynndolyn Copeland to adjourn the March 14, 2022 Closed Session. The motion was seconded by Councilman Linwood Johnson.

The March 14, 2022 Closed Session was adjourned at 7:39PM

Mayor

Clerk to City Council



Katie Niehoff,
*Executive
Director*



**American
Red Cross**

Mission Statement

The American Red Cross prevents and alleviates human suffering in the face of emergencies by mobilizing the power of volunteers and the generosity of donors.



American Red Cross Blood Drive

Save a Life, Give Blood





Our Work

Down the Street.

Across the Country.

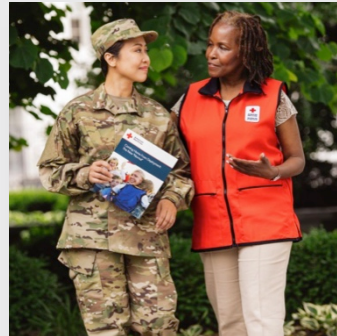
Around the World.®



[Disaster Cycle Services](#)



[Biomedical Services](#)



[Service to the Armed Forces](#)



[International Services](#)



[Training Services](#)

We Impact Lives Every Day

Over **24,000** people are assisted by the American Red Cross daily.

170

times a day, we help a family affected by a **disaster**.



12,500

times a day, the Red Cross must collect **blood** donations to help patients in need.



807,000

weather alerts are sent by Red Cross apps every day.



1,400

times a day, we provide services to **military members**, veterans and their families.



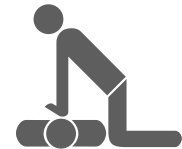
683,000

children receive a **measles or rubella vaccination** each day world wide with partners.



13,000

times a day, a person receives lifesaving Red Cross **training**.



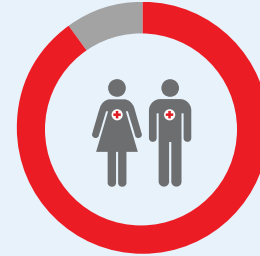
Ever Evolving, Incredibly Efficient

We constantly adapt, using new technology and refined methods to do more with less.



20

out of 20 standards
for charitable
accountability met



90%

of our workforce
is volunteer



90¢

of every dollar
that we spend
delivers care.



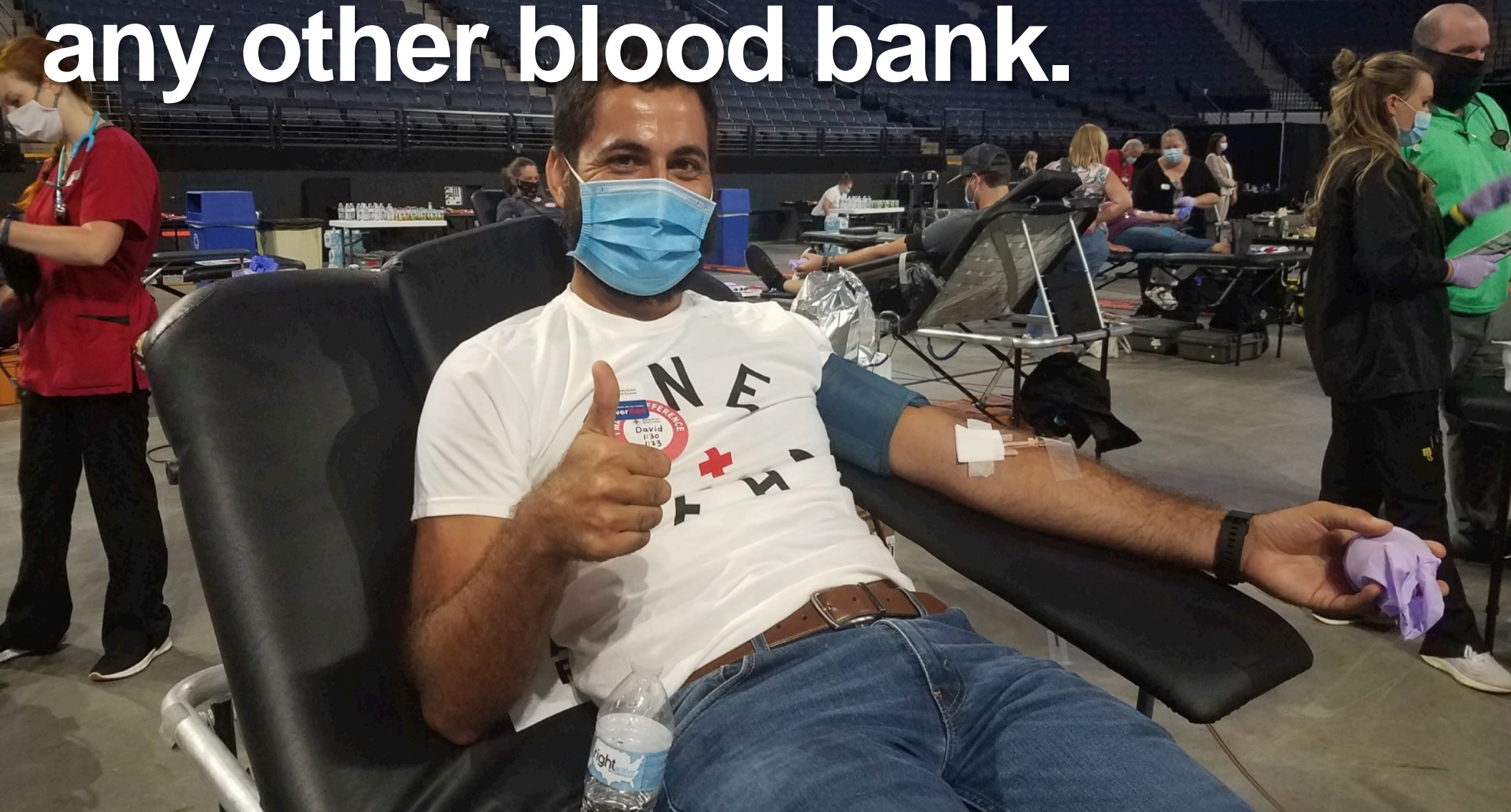
2020's

LinkedIn Volunteer
Organization of the Year

Franklin, Virginia

- In FY2021, we assisted 14 families or 37 individuals who were impacted by disasters in Franklin City and Southampton County – double the numbers of FY2020 – 100% of which were home fires.
- In FY2022, as of March 15, 2022, we have provided immediate assistance to 10 families/26 individuals following disasters – 100% of which were home fires.

We provide more blood than any other blood bank.





**We assist
military heroes
when they need
us most.**



**We help
vulnerable
people around
the world.**

A group of diverse children are in a swimming pool. Some are leaning on the white tiled edge, while others are in the water. The water is bright blue and splashing. The children are smiling and looking towards the camera. The text is overlaid on the right side of the image.

**We teach
lifesaving skills
like water safety,
first aid and CPR.**



**We help
after disasters
big and small.**

The Daily Disaster: Home Fires

Every day, seven people die in U.S. home fires.¹ As responders, we wanted to change the odds. That's why we launched *Sound the Alarm*.

Since October 2014, we've made a tremendous difference:

2,171,000

new alarms
installed



771,000

home fire
escape plans
made



897,000

Households
made safer



As of December 2020

Working smoke alarms reduce the risk of death during a home fire by 54%.

National Fire Protection Association, 2019

Making the Next Generation Safer

Through our Youth Preparedness Program, the Red Cross is developing a generation of children who are:

- Knowledgeable about natural hazards.
- Inspired to practice what they've learned and share it with family and friends.
- Empowered to react in a crisis and cope with related fear and stress.



The Pillowcase Project

Designed for grades 3–5. Participants:

- Learn the science of disasters in their area and how to prepare for them.
- Practice what to do if an emergency happens and how to cope with related fear and stress.
- Are encouraged to share what they've learned with their grown-ups and friends, so everyone in the household knows what to do.



Prepare with Pedro

Using storytelling and hands-on activities, students in grades K-2:

- Learn what it means to be prepared.
- Demonstrate the most protective actions for their age level for the emergency taught.
- Practice a basic coping skill and understand its use.
- Share what they learned with household members.



Hands Only CPR

Teaches untrained bystanders how to perform CPR with only compressions, putting more cardiac arrest victims within a few steps of lifesaving assistance.

- Quick 20-30 minute training
- No formal assessments
- No certification
- No cost
- Taught by certified Hands Only CPR presenter

Be Red Cross Ready



Home Fire



Earthquake



Hurricane



Flood



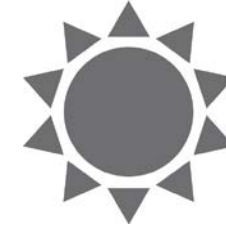
Tsunami



Tornado



Wildfire



Extreme Heat



Thunderstorm



Landslide



Winter Storm



Volcano



1-800-RED CROSS



www.redcross.org

RESOLUTION

APPROVING THE GOVERNING DOCUMENTS AND AUTHORIZING THE EXECUTION OF ALL NECESSARY CONTRACT DOCUMENTS FOR THE LAUREL STREET NEIGHBORHOOD REVITALIZATION PROJECT – PHASE I

WHEREAS, the City applied for and has been awarded a FY 2021 Community Development Block Grant-funded Community Improvement Grant in the amount of \$1,360,000 from the Virginia Department of Housing and Community Development (VDHCD) to undertake a neighborhood revitalization project in the Laurel Street Neighborhood Revitalization Project - Phase I Project Area as defined by the grant application; and

WHEREAS, VDHCD has entered into negotiations with the City of Franklin regarding a contract for a Laurel Street Neighborhood Revitalization Project - Phase I grant award of \$1,360,000;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Franklin, Virginia:

1. The City of Franklin hereby approves the following documents which will govern the Laurel Street Neighborhood Revitalization Project - Phase I:
 - a. Bylaws of the Housing Rehabilitation Oversight Board, Laurel Street Neighborhood Revitalization Project - Phase I, including the appointment of the members indicated therein.
 - b. Housing Rehabilitation Program Design, Laurel Street Neighborhood Revitalization Project - Phase I.
 - c. Project Management Plan, Laurel Street Neighborhood Revitalization Project - Phase I.
 - d. Project Budget (Revision #2), including Pay-for-Performance Administration Budget - Laurel Street Neighborhood Revitalization Project - Phase I.
 - e. Program Income Plan, Laurel Street Neighborhood Revitalization Project - Phase I.
2. The City hereby authorizes the City Manager, the City's chief administrative official, to execute all contracts and other documents necessary for the implementation of the Laurel Street Neighborhood Revitalization Project - Phase I including the pending contract with VDHCD for the grant award.
3. The City hereby appropriates \$1,360,000 in funding awarded to the City of Franklin by the VDHCD for the activities of the Laurel Street Neighborhood Revitalization Project - Phase I.

DATE:

CITY OF FRANKLIN

Mr. Frank M. Rabil, Mayor
Franklin City Council

ATTEST:

Amanda C. Jarratt, Clerk
City Manager



**LAUREL STREET NEIGHBORHOOD
REVITALIZATION PROJECT
CIG #21-21-01**

**MEMBERS AND BYLAWS OF THE
HOUSING REHABILITATION OVERSIGHT BOARD
CITY OF FRANKLIN, VIRGINIA**

**PROPOSED FOR ADOPTION BY CITY COUNCIL
MARCH 28, 2022**

**ASSISTANCE PROVIDED BY:
SUMMIT DESIGN AND ENGINEERING SERVICES**

**BYLAWS OF THE
HOUSING REHABILITATION OVERSIGHT BOARD
Laurel Street Neighborhood Revitalization Project**

ARTICLE I – THE BOARD

SECTION 1. Name of the Board. The name of the Board shall be the “Housing Rehabilitation Oversight Board, Laurel Street Neighborhood Revitalization Project” (Oversight Board).

SECTION 2. Purpose of the Board.

1. The Board shall recommend policies and procedures which govern housing rehabilitation and commercial property improvements in the Laurel Street Neighborhood Revitalization Project.
2. The Board shall monitor staff, consultant, and contractor work progress in accordance with the Housing Rehabilitation Program Design.
3. The Board shall have the authority to approve pre-qualified contractors to perform work related to the project for all contracts.
4. The Board shall approve applicants seeking program assistance.
5. The Board shall review bids and make contract awards in consultation with City staff and the Project Management Team for all housing rehabilitation activities.
6. The Board shall address and act on written complaints or disputes which may arise during the grant implementation. The Board shall respond in writing to all written appeals within 30 days of receipt and shall act to resolve the appeal within the subsequent 30 days.
7. The Board shall take other action, as permitted by the City Council of Franklin, Virginia, and as necessary to the Housing Rehabilitation Program of the Laurel Street Neighborhood Revitalization Project.

SECTION 3. Office of the Board. The office of the Oversight Board shall be in the City of Franklin, Commonwealth of Virginia. The Board will hold its meetings in the Franklin City Municipal Building or at such place and time as it may designate.

SECTION 4. Board Members. The Oversight Board shall be appointed by City Council and consist of a minimum of four (4) voting members including the City Manager serving as the Grant Administrator, the Financial Analyst serving as Loan Officer, a City Council Member, and one non-benefiting community representative.

Non-Voting Oversight Members. The Oversight Board shall appoint non-voting members to serve in an oversight capacity as deemed necessary. At a minimum these shall include the Project Manager, Grant Management

Consultant, Housing Rehabilitation Specialist, and a representative from the Department of Housing and Community Development.

ARTICLE II – OFFICERS

- SECTION 1. Officers.** The officers of the Housing Rehabilitation Board shall be a Chairperson and Vice-Chairperson.
- SECTION 2. Chairperson.** The Chairperson shall preside at all meetings of the Housing Rehabilitation Board.
- SECTION 3. Vice Chairperson.** The Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson; and in case of the resignation or death of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as the Oversight Board shall select a new Chairperson.
- SECTION 4. Secretary.** The Project Manager, or their designee, shall serve as Secretary to the Oversight Board and have the responsibility for keeping the minutes of the meetings, recording all votes of the Board, and keeping a record of the correspondence and proceedings of the Board. The records and minutes of the Oversight Board will be available for public review in the offices of the City Manager or their designee.
- SECTION 5. Election or Appointment.** The Chairperson and Vice-Chairperson shall be elected by the members of the Oversight Board with a simple majority and shall hold office for the term of the project, or until their successors are elected and qualified.
- SECTION 6. Vacancies.** Should any of the offices become vacant, the Oversight Board shall elect a successor from its membership at the next regular meeting.

ARTICLE III – MEETINGS

- SECTION 1. Regular Meetings.** Regular meetings of the Oversight Board shall be held as necessary to progress project business and will meet at least once per year. The Chairperson of the Oversight Board will call the meetings. All meetings will take place at the City’s Municipal Building or at such place and time which may be designated by the Project Administrator/Manager. Virtual or hybrid meetings are permitted pursuant to City guidelines.
- SECTION 2. Special Meetings.** The Chairperson of the Oversight Board may, when deemed expedient, call a special meeting of the Board for the purpose of transacting any business designated in the call.
- SECTION 3. Interim Applicant Approvals/Denials & Contract Awards.** The Chairperson of the Oversight Board may, when deemed expedient, conduct a poll of the

members regarding specific applicant approvals/denials and housing rehabilitation contract awards by e-mail or telephone provided the appropriate data and information have been made available to the members in a timely manner. A record of such interim decisions should be maintained in the Board's records and affirmed upon the first subsequent regular or special meeting of the Board.

SECTION 3. Quorum. The powers of the Oversight Board shall be vested in the members. Three (3) voting members shall constitute a quorum of the Board for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn until a quorum is obtained. When a quorum is in attendance, action may be taken by the Oversight Board upon a vote of a simple majority. Each member, including the Chairperson, shall have one vote.

SECTION 4. Attendance. Members are expected to attend all meetings but are encouraged to notify the Secretary of any absence in advance.

ARTICLE IV – AMENDMENTS TO THE BYLAWS.

The Bylaws of the Oversight Board shall be amended only with approval of at least four (4) of the voting members of the Board at a regular or a special meeting, but no such amendment shall be adopted unless at least five (5) days written notice thereof has been previously given to all members of the Oversight Board.

ARTICLE V – PARLIAMENTARY PROCEDURE

Robert's Rules of Order Newly Revised, 11th Edition shall govern the conduct and procedures at all meetings of the Oversight Board.

APPROVAL

Reviewed and adopted by the Franklin City Council in session on _____.

Amanda C. Jarratt, City Manager & Certifying Officer
City of Franklin, Virginia

Date

MEMBERS APPOINTED BY ACTION OF CITY COUNCIL:

1. Amanda C. Jarratt, City Manager, Grant Administrator
2. Joe Ann Faulk, Financial Accountant, Loan Officer
3. Wynndolyn Copeland, City Councilmember
4. Linwood Johnson, City Councilmember
5. Ruby Ford, Community Representative

NON-VOTING MEMBERS APPOINTED BY ACTION OF OVERSIGHT BOARD:

1. Beverly Walkup, Interim Director of Community Development, Project Manager
2. Phil Sherman, Interim Building Official
3. Janet Jonas, Senior Community Development Specialist/Summit DE, Grant Manager
4. Kenneth Rodgers, Rehabilitation Specialist/SERCAP
5. Kirsten Vroman, Community Development Specialist/DHCD

DRAFT



**LAUREL STREET NEIGHBORHOOD
REVITALIZATION PROJECT, PHASE I
CIG #21-21-01**

**HOUSING REHABILITATION
PROGRAM DESIGN
CITY OF FRANKLIN, VIRGINIA**

**PROPOSED FOR ADOPTION BY CITY COUNCIL
MARCH 28, 2022**

**ASSISTANCE PROVIDED BY:
SUMMIT DESIGN AND ENGINEERING SERVICES
VIRGINIA PLANNING DEPARTMENT**

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SECTION 1: PROGRAM ADMINISTRATION

PROGRAM OBJECTIVE

The overall objective of this program is to provide decent, safe, sanitary, and affordable housing in a suitable neighborhood living environment for the residents of the Laurel Street Neighborhood Revitalization Project.

The objective of **Housing Rehabilitation** is to provide financial and technical assistance to qualified low- to moderate-income residents and property owners, who are not financially able to resolve their housing deficiencies, to repair and maintain their homes to ensure lasting benefits for at least ten years.

The Laurel Street Neighborhood Revitalization Project – Phase I will target five (5) owner-owned homes and ten (10) tenant-occupied investor-owned homes for housing rehabilitation.

PROGRAM GUIDELINES

The Housing Rehabilitation Program for the Laurel Street Neighborhood Revitalization Project – Phase I will operate according to written guidelines which will be established as local policies and procedures for the implementation of housing improvements. These written guidelines will be adopted by the Laurel Street Neighborhood Revitalization Project Management Team and Housing Rehabilitation Oversight Board. The adopted program standards will apply equally to each program applicant.

ELIGIBLE AREA

The project service area encompasses residential properties the designated Laurel Street Neighborhood Project Area (see Appendix A: Project Area Map).

HOUSING REHABILITATION PROGRAM STAFF

The Housing Rehabilitation Program will be implemented by the following positions who will serve on a Project Management Team along with others who have responsibilities for other components of Laurel Street Neighborhood Revitalization Project:

Grant Administrator & Certifying Officer – The City Manager will be responsible for the overall implementation and management of the project. They are responsible for processing all contracts and other items requiring Board of Supervisors approval. All positions involved in the project will report directly to the Grant Administrator and the Grant Administrator will receive and process complaints. They will also serve as the Certifying Officer responsible for signing all documents of compliance for DHCD reporting and monitoring requirements.

Project Manager – The Director of Community Development will serve as the Project Manager responsible for general oversight of all project activities. They will lead the Project Management Team and Oversight Board. They will prepare and approve all disbursement reports to be forwarded with appropriate invoices and other documentation to the Finance Department for payment. They will oversee the Contracted Rehabilitation Specialist and

provide general oversight for housing rehabilitation. Additionally, they will coordinate overall outreach and the application process for the housing rehabilitation program.

Grant Management Consultant – The Consultant will provide technical assistance services in the implementation of the project. This will include assisting with day-to-day grant management administration in compliance with DHCD requirements. They will assist in all aspects of the project including, but not limited to, preparing for monthly meetings of the Project Management Team and Oversight Board, CDBG file maintenance, submitting reports to DHCD, project marketing to neighborhood residents eligible for participation, application intake and verification, necessary acquisitions, and any necessary relocations in keeping with the Uniform Relocation Act, Labor Compliance records, compliance reviews, and project close-out.

Additionally, the Consultant will review eligibility verification documents including certification of income level and LMI status of owner-occupants and tenants as required for completing the Housing Rehabilitation Program application. They will oversee the final “applicant package” for presentation to the Oversight Board for approval. They will also coordinate the preparation of loan closing documents and construction contract(s) with City Staff and the City Attorney for the Housing Rehabilitation Program.

The Consultant will further assist with tracking CDBG, City, and other expenditures in a manner consistent with VDHCD policies; provide a periodic tracking report for VDHCD and City purposes; prepare all drawdown requests and drawdown support materials; prepare any budget revisions; and monitor project finances offering suggestions and adjustments necessary to keep the project finances in order.

Housing Rehabilitation Intake Specialist – The Housing Rehabilitation Intake Specialist will coordinate solicitation, completion, and receipt of application packages and required verification information for the Housing Rehabilitation program.

The Intake Specialist, in conjunction with the Grant Management Consultant, will assist with preparation of eligibility verification documents including certification of income level and LMI status of owner-occupants and tenants as required for completing the Housing Rehabilitation Program application. The Intake Specialist will also coordinate the preparation of loan closing documents and construction contract(s) with City Staff and the Grant Management Consultant for the Housing Rehabilitation Program.

Project Coordinator of Infrastructure – The Deputy Director of Public Works will coordinate the force main upgrade and will oversee and coordinate work of the Project Engineer.

Project Engineer – The Engineer will coordinate acquisition of easements and permitting and develop engineering plans and specifications for the storm drainage improvements. The Engineer will assist in the bidding process for these projects, monitor progress, do inspections of the improvements, and certify pay requests to contractors and subcontractors based on work progress.

Housing Rehabilitation Specialist – The Rehabilitation Specialist will be responsible for developing and maintaining a list of pre-qualified contractors in coordination with the Oversight Board and Project Managers. The Rehab Specialist will serve as the liaison with participating residential property owners and residents and rehabilitation contractors. The Rehab Specialist will be responsible for monitoring the quality, cost, and HQS requirements

of the housing rehabilitation activities. The Rehab Specialist will serve as the Lead Risk Assessor and will be responsible for ensuring "lead safe work practices" are followed by all project contractors/sub-contractors and for Lead-based Paint Clearance Testing. The Rehab Specialist will serve as the liaison with participating residential property owners, residents, and rehabilitation contractors. The Rehab Specialist will be responsible for monitoring the quality, cost, and HQS requirements of the housing rehabilitation activities.

Initial duties for each home to be rehabilitated include initial HQS inspections, blower door testing, lead-based paint notifications/approvals, work write-ups, and cost estimates. The Rehab Specialist will review the completed work write-up and the regulatory requirements with the property owner and tenant, as appropriate. The Rehab Specialist will secure a signature from the property owner indicating approval of the proposed improvements. This shall be done prior to bidding the job.

The Rehab Specialist will prepare master specifications and necessary support materials, bid packages (both rehabilitation and substantial reconstruction); distribute the bid packages to the list of pre-qualified project contractors; conduct pre-bid and pre-construction conferences and walk-throughs; issue any addenda to the bid package; review and make recommendations for contract award, price negotiations, and any necessary change orders (with approvals as outlined in the Project Program Design); monitor the work as it progresses to ensure that specifications are met; and approve pay requests for all rehabilitation contractors.

The Rehab Specialist will serve in a support role to the City Building Inspector for intermittent and final inspections to monitor rehabilitation work and close-out of individual projects including certification that HQS violations have been alleviated. The Rehab Specialist is responsible for certifying that all work has been completed in compliance with work write-ups, construction plans, and other program requirements before progress and final payments can be made to project contractors.

The Rehab Specialist is also responsible for inspecting properties designated as relocation resources if they are needed to determine if they are decent, safe, and sanitary dwellings.

Lead Risk Assessor – The Lead Risk Assessor will be procured when housing inspections begin. The total value of the contract is expected to be within the City's Small Purchase Policy.

Blower Door Contractor – The Rehabilitation Specialist will conduct the pre- and post-rehabilitation blower door tests.

City Building Inspector – The City Building Official is responsible for issuing building permits for rehabilitation projects as well as demolition permits as required for substantial rehabilitations and other property clearance activities.

The City Building Official or their designated Inspector is responsible for intermittent and final inspections to monitor rehabilitation work and close-out of individual projects including certification that all property maintenance code/building code requirements have been fulfilled. They are responsible for issuing certifications of completion/certificates of occupancy for all housing rehabilitation projects.

Financial Analyst / Loan Officer – The Financial Analyst will be responsible for managing the

overall financial records for the project. They will be responsible for the day-to-day accounting activities including receiving and assisting with payment of all invoices properly approved and forwarded by the Project Manager; ensuring the proper entry of all payments and receipts in the City's accounts and general ledger; tracking all loans and loan repayments generated by the project; and preparing a project financial report (monthly, bi-monthly, or quarterly as needed) for meetings of the Project Management Team.

Neighborhood Sparkplugs – Residents of the City of Franklin will serve as the neighborhood representatives for the project. As active, long-term members of the community and with an understanding of the intent and content of the project, the sparkplugs will assist the City by communicating with project area residents to ensure they fully understand the program. At some point if they are selected to be program beneficiaries, they will not sit on the Housing Oversight Board.

Project Support – A member of the Hampton Roads Planning District Commission will serve as a technical assistance resource for the Management Team. They are familiar with CDBG program policies and procedures and will provide a regional perspective to the project.

Project Support – A Community Development Specialist will represent the Department of Housing and Community Development and provide the City with technical assistance related to grant administration.

Liaison to City Council – Current Ward 4 and Ward 5 Council Members will serve as liaisons to the Franklin City Council. It is anticipated that the Councilmembers will attend meetings of the Project Management Team and will be kept fully informed of project progress through regular updates by the Grant Administrator. Neither Council Member owns property in the proposed project area and will serve on the Housing Oversight Board.

Consulting Attorney – The contracted City Attorney will serve in a consulting capacity by reviewing all contract and loan document templates to be utilized in the Housing Rehabilitation Program for appropriateness and accuracy and providing other legal services as deemed appropriate by the Grant Administrator and Certifying Officer. It is not anticipated that the attorney will attend meetings of the Project Management Team.

HOUSING REHABILITATION OVERSIGHT BOARD

The Housing Rehabilitation Program will also be overseen by a Laurel Street Neighborhood Revitalization Project Oversight Board (Oversight Board) whose duties are outlined on page 17 of this Program Design. The members and bylaws of the Oversight Board are delineated in the separate document, "Members and Bylaws of the Housing Rehabilitation Oversight Board," subject to City Council approval.

SECTION 2: HOUSING REHABILITATION

ELIGIBILITY FOR ASSISTANCE

Each applicant must reside or own property located within the boundaries of the Laurel Street Neighborhood Revitalization Project Area at the time of grant application in order to apply for financial assistance for rehabilitation; other residents or property owners may be considered on an individual basis with approval from DHCD. The eligibility of an applicant is based on the beneficiary household's income and cash assets, individual's term of residency or ownership of the property, rent affordability, and feasibility of the property to be rehabilitated. The City of Franklin will consider all eligible LMI applicants without regard to race, religion, gender, national origin, age, familial status, or disability. The program will not benefit moderate-income persons to the exclusion of low-income persons.

Multi-family structures must be occupied by at least 51% LMI households. CDBG funds must be targeted only to those units which are occupied or will be occupied by LMI households;

All procedures will be applied in a uniform manner. All owner-occupants and tenants will be asked for information on race and national origin, age, familial status, disability, gender, and LMI status.

The following eligibility considerations will be used to determine participants:

A. Income Eligibility

Households are eligible to participate in the housing rehabilitation program if they meet certain low- to moderate-income standards. LMI income standards are defined as: 80% of median family income for the area based on family size for Community Development Block Grant (CDBG) funds:

Number of Persons in Household	Maximum Income*
1	\$37,000
2	\$42,250
3	\$47,550
4	\$52,800
5	\$57,050
6	\$61,250
7	\$65,500
8	\$69,700

* FY 2021 DHCD Income Limits (Franklin City, VA)

For this program, annual income is defined as all income from any source during the 12-month period prior to the application date or the date of annual re-examination for any person residing in the applicant property.

Income inclusions are: wages, salaries, tips, commissions, self-employment income from own non-farm business, including proprietorships and partnerships, farm self-employment income, interest dividends, net rental income, income from estates or trusts, Social Security or railroad retirement income, Supplemental Security Income, Aid to Families with Dependent Children (ADC), or other public assistance or public welfare programs including retirement, survivor, or disability pensions, unemployment compensation, and alimony.

Income exclusions are: income from employment of children under the age of 18 years, foster care payments, medical reimbursements, income of live-in aid, student financial assistance paid directly to the student or educational institution, hostile fire pay, qualified training payments, temporary, nonrecurring or sporadic income, disabled PASS, temporary, non-recurring gifts, and housing assistance payments.

Additionally, eligible households must not possess liquid assets more than certain limits:

1. Both checking and savings bank accounts and liquid asset accounts will be verified to determine if applicant exceeds maximum cash assets of \$35,000. Applicants who have more than \$35,000 in net cash assets are ineligible for rehabilitation assistance, regardless of whether they meet the LMI Income Limits for the City of Franklin, unless those assets are applied to the housing rehabilitation.
2. The current passbook rate percentage of net assets or actual interest earned, whichever is greater, shall be added to the annual gross income of household in determining eligibility in accordance with guidance posted on the HUD website.

B. Property Eligibility

Eligible properties include structures "Suitable for Rehabilitation" and structures "Unsuitable for Rehabilitation" (Substantial Reconstruction). Housing units in the Laurel Street Neighborhood Revitalization Project will be rehabilitated or substantially reconstructed with CDBG funds.

Properties defined as "Suitable for Rehabilitation" are not substandard or deteriorated beyond the point that they cannot be brought up to DHCD/HUD Housing Quality Standards (HQS) within the maximum allowable CDBG financial assistance available under this program, as shown in Appendix B, or as supplemented with additional financing provided by the property owner in order to make up the deficit between the CDBG maximum assistance level and the amount required to accept the lowest responsible bid or complete the rehabilitation. Additional funding can be made available under certain conditions as defined under Financial Assistance Available.

Properties defined as "Unsuitable for Rehabilitation" or "Substantial Reconstruction" are defined as substandard units in such poor condition that it is not structurally or financially feasible to rehabilitate to HQS within the CDBG allowable per-unit costs plus exceptions. Housing units "Unsuitable for Rehabilitation" also include units to be razed within the Project Area to remove deleterious use and blight. "Unsuitable for Rehabilitation" is further defined as a residential structure which has major structural conditions due to inadequate original construction or has failing foundation, floor, wall, ceiling, roof and exterior systems. The

Housing Rehabilitation Specialist will document specific conditions and decide whether more than 50 percent of the structure must be demolished in order to comply with HQS.

If identified as bid alternates, exceptions to the base construction cost limit may be granted by DHCD for the items listed below. Demolition costs are a separate, standalone budget item, allowable for substantial rehabilitation projects only, and must be reasonable in cost as determined by the Housing Rehabilitation Specialist and DHCD. Following is a list of possible exceptions:

1. Bathrooms;
2. Installation of a well and/or septic system;
3. Alternative septic system;
4. Water and/or sewer connections, including water meters;
5. Accessibility improvements for elderly or disabled persons;
6. Provisions of one or more additional bedrooms to relieve overcrowding or other changes to the footprint of the house as needed;
7. Actual lab costs for evaluation of lead tests;
8. Flood proofing including house elevations; the elevation and relocation of utilities; the addition of sump pumps with back-up generators; and the reinforcement of basement doors and dry flood proofing methods as appropriate with the City's building code;
9. Removal and disposal of asbestos;
10. Soil evaluations; and
11. Property surveys.

Assistance will not be available to travel trailers or properties determined by the Housing Rehabilitation Specialist to be squatter shacks whereby residency has been established haphazardly and posthaste in order to take advantage of this financial assistance. In order to receive assistance the dwelling must be a year-round residential unit.

Debris removal is a pre-construction requirement to participate in the housing rehabilitation program. Property owners will be required to clear the exterior and interior rehabilitation site of all identified trash, debris, and inoperable vehicles prior to receiving rehabilitation assistance. If the owner is elderly or handicapped and cannot physically clear the property or arrange for the removal of the debris, the work will be added to the rehabilitation work write-up and included as part of the contractors' bid package and the subsequent lien on the property.

C. Ownership Eligibility of Owner-Occupied Structures

The housing rehabilitation program is available to single-family, owner-occupied structures within the target area. The applicant must legally own the property and maintain it as his/her principal residence. A principle residence is defined for purposes of this program as the housing unit in which the individual lives nine (9) months out of the year. Owner-occupants are required to maintain all-hazard insurance coverage to replace or repair the

rehabilitated unit should there be a fire or other disaster. For residential units in the 100-year flood plain, insurance coverage must include flood insurance.

Eligibility as an owner will be verified by conducting a Title Search upon submission of the application with Income Eligibility confirmed by the Management Consultant and Oversight Board prior to property inspection and the completion of a work write-up. Owner income eligibility will be re-verified during the loan period on an annual basis or if the Oversight Board has sufficient cause such as missed loan payments.

The owner-occupant will be required to sign an agreement with the City specifying he/she will abide by the terms of the program during the loan period. During the term of the loan it is the responsibility of the owner-occupant, his/her heirs or the executor of the estate to notify the Oversight Board immediately if ownership of the property changes or if the structure is no longer the principal residence of the applicant.

D. Ownership Eligibility of Investor-Owned Structures

The rehabilitation program funded via CDBG is available to investor-owned single-family and duplex structures within the target area. Investor-owners of properties in need of rehabilitation will qualify regardless of the investor-owner's income.

The rehabilitated properties must be rented to low- and moderate-income occupants, as defined by current DHCD LMI guidelines within three (3) months of completed rehabilitation. Extensions may be granted if the Housing Oversight Board is furnished sufficient evidence documenting good faith efforts to rent the property were initiated upon property availability and are on going. Displacement of an existing tenant not meeting the income standards by the investor-owner will not be allowed to make his property eligible for participation in the rehabilitation program.

Investor-owners are required to adhere to program guidelines designed to prevent windfall profits to landlords and significant rent increases to tenants. Regardless of direct costs incurred by a landlord, rents charged must be affordable and not exceed the fair market rent limits as established annually by HUD for a structure assisted under this program. The rent amount charged to the tenant must be clearly established in an Investor-Owner Rental Commitment signed with the City and in a written lease with a one-year minimum signed with the tenant.

Number of Bedrooms	Fair Market Rent* (monthly)
Efficiency	\$703
1	\$718
2	\$843
3	\$1,128
4	\$1,443

* FY 2022 HUD/VDHCD Fair Market Rent (Franklin City, VA)

Investor-owners will be prohibited from unduly raising the rent charged for a rehabilitated unit. Rent modifications requested by Investor-Owners will be reviewed by the Oversight Board and allowed for documented increased costs related to taxes and insurance as long as the rent does not exceed the current fair market rent limits. The Investor-Owner Rental Commitment will include the requirement for these rent controls will remain in place for the term of any lease signed during the loan period.

Eligibility as an investor-owner will be verified by conducting a Title Search upon submission of the application with the Income Eligibility of the tenant confirmed by the Grant Management Consultant and Oversight Board prior to property inspection and the completion of a work write-up. Tenant Income Eligibility will be re-verified during the loan period on an annual basis or if the Oversight Board has sufficient cause for investigation. The investor-owner will be required to sign an agreement with the City specifying he will abide by these rent controls for the term of any lease signed during the loan period.

Investor-owners are required to maintain the property to HQS, to provide income eligibility documentation, and to maintain all-hazard insurance coverage to replace or repair the rehabilitated unit should there be a fire or other disaster. For residential units in the 100-year flood plain, insurance coverage must include flood insurance. Rental properties which become vacant during the loan term must be rented within three (3) months of vacancy to a qualified tenant or the loan will be due and payable. Extensions may be granted if the Oversight Board is furnished sufficient evidence documenting good faith efforts to rent the property were initiated upon property availability and are on going.

During the term of the loan it is the responsibility of the investor-owner to notify the Oversight Board (if still operating) or the City Manager when the unit becomes vacant and to submit an application and required documentation to verify income eligibility for the potential tenant. The City will solicit assume these duties after the Oversight Board and Management Consultant have completed their duties.

E. Ownership Eligibility of Heir Properties

Heirs of subject property are eligible to receive assistance provided they prove heirship and can document control over the property. In cases where ownership is clouded by questions of inheritance (heir properties), the following requirements are in effect:

1. A reasonable effort will be made to identify heirs and this effort will be documented. An effort will be made to contact each heir in writing to request transfer of their interest to the beneficiary. The title will be recorded in the Southampton County Clerk's office in the intended beneficiary's name or the landlord's name.
2. Where heirs are unknown or unable to be contacted, proof of control of the property for the previous three (3) years by the resident must be documented. Proof must include continued residence, payment of property taxes, payment of homeowner's insurance, and house payment by the resident
3. Where heirs or co-owners are known but unwilling to convey the property or it is undesirable to convey interest in the property to the intended beneficiary, a legally recorded Life Estate will be acceptable provided that the grantor(s) will execute an agreement to either (1) repay the outstanding balance upon death or removal of the resident or (2) agree to reside in the property and take over the obligation of

the resident if the grantor(s) meets the program qualifications.

4. Properties held by occupants who have "life rights" to the property are eligible for program assistance if both the owner(s) of the property and the occupant who has the life rights sign the Deed of Trust. Should the individual who has the life rights cease to live in the property during the mandatory term of the loan, the owner(s) of the property must either buy-out the loan at full value, less what has been paid and/or forgiven, or find an eligible LMI occupant for the property.

F. Ownership Eligibility of Contract ("Rent-to-Own") Properties

An occupant residing in an eligible single-family structure under a "rent to own" contract or agreement is eligible to receive assistance provided he/she provides information documenting the agreement and can document control over the property. In "rent to own" cases, the following requirements are in effect:

1. Documentation of a "rent to own" agreement or evidence of payments accompanied by a record of the declining balance due.
2. The owner of record has clear title to the property as evidenced by a title search.
3. Proof of control of the property by the resident for the previous three (3) years or since the date of the "rent to own" agreement, whichever period is longer, must be documented. Proof must include continued residence, payment of property taxes, payment of homeowner's insurance, etc.
4. Properties held by occupants who are "renting to own" are eligible for program assistance if both the occupant of the property and the owner of record sign the Deed of Trust. Should the occupant who is "renting to own" lose control of the property and cease to live in the property during the mandatory term of the loan, the owner of record of the property will be required to buy-out the loan at full value, less what has been forgiven, or lease the property to an LMI tenant for the remaining term of the loan.

G. Vacant Properties

CDBG funds may not be used to rehabilitate vacant properties unless the rehabilitated properties are sold or leased to low- and moderate-income occupants, as defined by current DHCD LMI guidelines, within three (3) months of completed rehabilitation and the eligible LMI tenant has agreed to maintain it as his/her principal residence. Extensions may be granted if the Oversight Board is furnished sufficient evidence documenting good faith efforts to rent the property were initiated upon property availability and are on going. Vacant structures are also eligible under the following conditions:

1. A consistent history of being occupied over the past five (5) years and been occupied six (6) months of the previous year to be eligible, or
2. Be available as a temporary relocation resource during the life of this rehabilitation program for any project area households, or
3. Owned by public body or non-profit community development group, or
4. In the process of being purchased by an LMI household as a primary residence.

During the term of the loan it is the responsibility of the investor-owner to notify the Oversight Board and/or City Manager when the unit becomes vacant and to submit an application and required documentation to verify income eligibility for the potential tenant.

FINANCIAL ASSISTANCE AVAILABLE

A. Owner-Occupied Housing Rehabilitation Assistance

If an eligible owner-occupant wishes to participate, the program will improve the property to HQS expending no more than the amount of CDBG funds (Base Program Assistance) listed in the DHCD PAHO Housing Rehabilitation Cost Limits table in Appendix B. Additional CDBG funds may be utilized beyond the base construction cost for exceptions such as: bathrooms; water and sewer connections; ramps and other accessibility features; additional bedrooms for large families; flood proofing; asbestos removal and disposal; and others as listed on page 8, Eligibility for Assistance / Property Eligibility.

The property owner is required to provide any additional funds required to make up the deficit between the CDBG maximum assistance level made available (base plus exceptions) and the amount required to accept the lowest responsible bid. The property owner will be required to provide any required additional funds to the City for escrow prior to contract execution with the construction contractor. The amount of funds in escrow would reflect additional funds which exceed the CDBG maximum assistance level made available and which are required to meet lowest responsible bid or complete rehabilitation. If cost savings are incurred during the rehabilitation work, the program and the property owner would realize these savings proportionately.

Base Program Assistance also provides for all necessary inspections; obtaining all necessary permits, inspections, authorizations, and certificates; bidding of the rehabilitation work; contract development with the selected contractor; processing of all contractor payments, and ensuring that all improvements have been made consistent with HQS and in accordance with program guidelines and requirements.

Under certain circumstances the maximum Base Program Assistance for a single rehabilitation can be increased. If the Grantee tests for the presence of lead-based paint per DHCD regulations and all tested surfaces reveal no lead, or the Grantee has at least four (4) licensed lead abatement contractors who are qualified to bid on the job and one (1) of them was the successful bidder, or the unit was built after 1978, then the rehabilitation may be eligible for the increased maximum.

Eligible owner-occupants of the Laurel Street Neighborhood Project Area interested in CDBG assistance will be provided a forgivable loan for a five (5) year term at 0% interest. A lien must be recorded and tied to a promissory note with 1/60th of the principal portion of the loan forgiven each month over five (5) years. The lien cannot be subordinated without approval from DHCD. The program will not require first lien position. There is no penalty for early repayment of the unforgiven portion of the lien.

B. Investor-Owner Housing Rehabilitation Assistance

If an investor-owner wishes to participate in the CDBG assistance, the program will improve the property to HQS using no more than the amount of CDBG funds (Base Program

Assistance) listed in the DHCD PAAO Housing Rehabilitation Cost Limits table in Appendix B, exclusive of DHCD allowable exceptions. The property owner will contribute 10% of the project construction cost and any funds required to make up the deficit between the maximum CDBG assistance level and the amount required to accept the lowest responsible bid or complete the rehabilitation. The investor-owner may also be eligible for an increased maximum under the circumstances previously outlined for lead-free rehabilitation.

The landlord will contractually agree to rent the units to LMI tenants for a 10-year period. At the discretion of the Oversight Board (if still operating) or the City Manager, the 10-year period may be extended due to lengthy periods when the unit was not occupied by an eligible LMI household.

The property owner will be required to provide any required additional funds to the City for escrow prior to contract execution with the construction contractor. The amount of funds in escrow would reflect the 10% owner contribution, additional funds which exceed the maximum CDBG assistance amount and which are required to meet the lowest responsible bid or complete the rehabilitation, and additional funds required for change orders as deemed appropriate by the Housing Rehabilitation Specialist. If cost savings are incurred during the rehabilitation work, the program and the property owner would realize these savings proportionately.

Investor-owners of housing in the Laurel Street Neighborhood Revitalization Project Area interested in CDBG assistance will be provided a loan for a ten (10) year term at 0% interest with 1/120th of the principal portion of the loan forgiven each month that the unit is occupied by a tenant, with exceptions allowed for brief periods of vacancy. A lien must be recorded and tied to a promissory note with 1/120th of the principal portion of the loan forgiven each month over ten (10) years. The rent charged may not exceed the Fair Market Rent for the City of Franklin set by the US Department of Housing and Urban Development and may not be increased during the term of the lien except with permission from the City of Franklin and then only for expenses out of control of the investor-owner such as increases in real estate taxes or property insurance. The lien can not be subordinated. The program will not require first lien position. There is no penalty for early payment of the lien.

Landlords must have an eligible tenant in the residence within three (3) months of the property being rehabilitated or be required to repay the loan in full immediately minus any forgiven portion of the monthly payments paid to date. Extensions may be granted if the Oversight Board is furnished sufficient evidence documenting good faith efforts to rent the property were initiated immediately upon property availability and are on going.

CDBG funding for rehabilitation will not be extended to those units presently occupied by tenants using Housing Choice vouchers without prior written approval by DHCD.

C. Substantial Reconstruction Assistance

If, during the implementation of the housing rehabilitation program, the City qualifies a family in a dilapidated dwelling which is determined "Unsuitable for Rehabilitation", the City will seek DHCD approval to substantially reconstruct the house on the same site at a cost not to exceed the amount of CDBG funds listed in the DHCD PAAO Housing Rehabilitation Cost Limits table in Appendix B including exceptions, after all other options, including relocation, have been fully explored and documented as infeasible. Substantial

reconstruction will be pursued only upon written approval from DHCD. The established policy of DHCD for substantial reconstruction noted below will be followed:

1. The occupants of the house must be the owner of the property.
2. CDBG funds are available for substantial reconstruction the amount listed in the DHCD PAAO Housing Rehabilitation Cost Limits table in Appendix B, inclusive of exceptions as needed.
3. Strategies such as rehabilitation and relocation must be explored and documented as infeasible before using this option.
4. Dwelling must meet the definition of "Unsuitable for Rehabilitation" per the Program Design.
5. In the case where a contractor has physically begun rehabilitation and discovers that conditions are worse than expected, making the property "Unsuitable for Rehabilitation" by the local definition, the locality may terminate the contract and proceed with "substantial reconstruction" after submitting and having approved a written request which explains the situation to DHCD.
6. For properties which are determined to be "Unsuitable for Rehabilitation" following the submission of the application to DHCD or during the project, but prior to actual construction, the following process must be followed:
 - a. The Housing Rehabilitation Specialist must prepare a written itemized cost estimate of the repairs needed to bring the house to Housing Quality Standards and the cost must clearly exceed the limitations in the Program Design, or the Housing Rehabilitation Specialist must document that a structural condition exists which clearly causes the property to meet the definition of "Unsuitable for Rehabilitation" as set forth in the Program Design.
 - b. The Housing Rehabilitation Specialist must prepare plans and specifications for the proposed substantially reconstructed house. The plans and specifications must meet local building codes. The Housing Rehabilitation Specialist must either prepare an itemized cost estimate or secure bids from contractors and suppliers of the cost of the proposed house.
 - c. Information concerning newly constructed houses either in the neighborhood or in similar neighborhoods which are comparable to the proposed substantially reconstructed house must be secured by the Project Manager and Housing Rehabilitation Specialist. The information should include the cost, square footage, acreage, and amenities.
 - d. A statement from an appraiser or someone experienced in real estate and familiar with the local housing market must be obtained to assess the estimated value of the proposed substantially reconstructed house.
 - e. The cost of the proposed substantially reconstructed house must be less than the estimated cost of rehabilitating the existing house.
 - f. A worksheet must be submitted to DHCD which provides the cost comparisons listed above. Attached to the worksheet must be

- the rehabilitation cost estimate (or description of the structural defect making the property unsuitable for rehabilitation),
 - the comparable newly constructed house information,
 - the basis for the cost estimate of construction of the reconstructed house, and
 - a copy of the statement of the projected appraised value of the reconstructed house.
7. The substantial reconstructed home must meet local ordinances and may be either:
a) stick built or b) a modular home. The owner must be allowed to select which option will be provided.

D. Waiver of Building Permit Fees

The City of Franklin will waive building permit fees of approximately \$250 per rehabilitation and \$400 per substantial reconstruction.

E. Permanent Relocation Assistance

In instances where a property is encountered which is documented as "Unsuitable for Rehabilitation" based on the inability to physically stabilize and bring it into compliance with HQS, the City has the option to voluntarily relocate the family from the dilapidated housing unit. The relocation would be to a comparable housing unit which currently has no HQS violations or to a housing unit which can be rehabilitated to HQS. Relocation payments/down payment assistance plus rehabilitation costs cannot exceed the Base Program Assistance cost limits for rehabilitation. This does not include reasonable moving expenses.

If the relocation involves a rental unit, the tenant can be relocated to a comparable available rental unit. Homeownership is an option as well and financing will be available for down payment and moving costs. However, the renter must obtain mortgage financing. The Rehabilitation Specialist and City Building Inspector may assist with identifying a unit for purchase.

There are two options for units which are owner-occupied and are documented "Unsuitable for Rehabilitation." The owner-occupant can be relocated to a comparable owner-occupied unit or his/her substandard property can be substantially reconstructed in accordance with local building codes.

The City's permanent relocation procedure will be applied to all program participants in a fair and consistent manner and in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

F. Temporary Relocation Assistance

Temporary relocation may be provided in a limited number of rehabilitations for either of the following two reasons:

1. Inconvenience to the occupant. In cases where the occupant will be severely inconvenienced by the rehabilitation activities, the City should make allowances for temporary relocation. Inconvenience shall be defined as the inability of the

household occupant(s) to use the bathroom and/or kitchen for daily use due to rehabilitation efforts occurring within the structure.

2. Possible Lead-based Paint. In cases where it has been assumed that a house has lead-based paint (houses constructed prior to 1978) and there are deteriorated paint surfaces, paint dust/chips or painted surfaces which will be disturbed during the rehabilitation process, the occupants must be temporarily relocated. In such cases, temporary relocation is required for all properties receiving rehabilitation assistance.

The exceptions to Lead-based Paint temporary relocations are:

- a. All household members are 62 years or older.
- b. All interior work will be completed in an eight-hour period;
- c. All interior work will be completed in 5 consecutive days and the bedroom(s), bathroom, and kitchen can be isolated from the rehabilitation work; or
- d. Only exterior work will be done.

The need for temporary relocation assistance will be determined by the Project Manager, Housing Counselors, Housing Rehabilitation Specialist, and Management Consultant. Temporary relocation assistance of up to \$2,000 per household will be provided to the occupant(s) for a temporary relocation resource, such as a motel, and/or for reasonable moving expenses¹, or for an on-site storage trailer used to store the occupant's personal property. When an on-site trailer is used the head of the household is required to work with the contractor in transferring household contents by preparing or approving an itemized content list. A temporary relocation agreement must be signed before a beneficiary can receive temp relocation assistance.

Owner-occupant recipients of financial assistance for housing rehabilitation will be required initially to relocate to the home of a relative or friend. If this is not feasible, financial assistance will be made available to pay for a motel or other reasonable relocation resource. At no time will a payment using grant funds be made to a beneficiary's family member or friend. Similarly, the beneficiary will not receive direct payments.

Investor-owner recipients of financial assistance for housing rehabilitation will be required to relocate tenants to a vacant unit which meets HQS or request that the tenant relocate to the home of a relative or friend. If this is not feasible, financial assistance will be made available to pay for a motel or other reasonable relocation resource. At no time will a payment using grant funds be made to a tenant's family member, friend or for the use of a vacant unit.

The City's temporary relocation procedure will be applied to all program participants in a fair and consistent manner. The Rehabilitation Specialist and City Building Official may assist with identifying a unit for temporary rental.

¹ Storage costs cannot exceed \$1,000 per household.

SECURITY AND RESALE REQUIREMENTS

All properties rehabilitated with funds from the CDBG program will be secured with a lien granted to the City of Franklin. The lien cannot be subordinated without prior written approval from DHCD. If the property is sold, transferred, or otherwise conveyed to a non-LMI household the property owner must repay any unforgiven portion of the loan. If the property is sold, transferred, or otherwise conveyed to an LMI household, the outstanding balance of the lien shall be transferred to the LMI owners for the time remaining in the original loan term.

Investor-owners (landlords) and owner-occupants of the improved property must agree if the property is sold, transferred, or otherwise conveyed to benefit non-LMI residents they will pay the City, at property closing, a sum based on the to-date unforgiven balance per the loan amortization schedule.

The City of Franklin's Financial Accountant will serve as the Loan Officer for the purpose of servicing all housing rehabilitation loans unless the City at a future date chooses to secure the services of a qualified agency to perform these duties. The City or a qualified agency designated by the City to service rehabilitation loans under the City's Housing Rehabilitation Program will be under no liability for loss of funds due to lack of repayment or default by program beneficiaries. The responsibility of the City or its designee servicing housing rehabilitation loans is to collect, defer and forgive payments monthly. The City or servicing agent is to maintain records of loan balances, final payment due dates, and to make a good faith effort to collect delinquent loans. The City or servicing agent must adhere to all requirements under the law related to the collection of delinquent or bad debts.

In the case of death or institutionalization of the owner, the outstanding balance of the loan becomes due as of the date of the death or institutionalization. In such cases, the following three options apply.

1. The balance of remaining indebtedness must be paid in full and the lien will be removed by the City.
2. A family member who qualifies as a low to moderate income (LMI) household may assume the outstanding balance of the loan, enter into an agreement with the City and reside in the property as an owner.
3. The heirs or their authorized agent may rent the property to a qualified LMI family. New loan documents must be executed to include the unpaid balance of the loan. The loan will be structured as an investor-owner loan and will include the unpaid balance to date and rental requirements.

ESTABLISHING PROGRAM GUIDELINES

Basic decisions regarding the housing rehabilitation program will be approved by the Laurel Street Neighborhood Revitalization Project Management Team and Housing Rehabilitation Oversight Board. The Oversight Board will assist the Project Manager, Grant Management Consultant and Housing Rehabilitation Specialist in overseeing all program activities to assure that they are carried out fairly and in conformance with this Program Design.

The Oversight Board shall be appointed by City Council and consist of a minimum of four (4) voting members including the City Manager serving as the Grant Administrator, the Financial

Analyst serving as Loan Officer, a City Council Member, and one non-benefiting community representative. At minimum the Project Manager, Grant Management Consultant, Housing Rehabilitation Specialist, and a representative from the Department of Community Development shall be non-voting members of the Board.

The Board will review the Housing Rehabilitation Program Design and amend it as necessary; serve in an advisory and approval capacity in reviewing applications and work write-ups for bidding and contract award; review and approve the current list of eligible contractors for bidding on the project; monitor staff, consultant, and contractor work progress in accordance with this Program Design; assist the City in securing additional participation from potential applicants and qualified contractors; and address and take action on written complaints or disputes that may arise in the course of the grant implementation.

A. Basic Guidelines

1. Project related non-construction cost (e.g. application intake and processing, inspections, blower door tests, etc.) will be limited to 10 percent of construction cost. Inspection and specification writing are considered non-construction cost.
2. The program will not benefit moderate-income persons to the exclusion of low-income persons.
3. The program will not prioritize beneficiaries in such a manner as to discriminate against minority, elderly, large families and female-headed households.
4. The program will not require payment of unpaid taxes or fees as a precondition of assistance, though the City has the right to collect the taxes and fees owed to them.
5. The program will not subordinate the lien unless written approval is obtained from Virginia Department of Housing and Community Development (DHCD).
6. The program will not require first lien position.
7. The program will not require contractors to be bonded if adequate credit is established.
8. The program will execute a rehabilitation contract for all units which include work or materials specifications specifications (as applicable), dollar amount of contract, lead-based paint certification and federal contract inserts concerning Equal Opportunity.
9. The mortgage documents securing the lien on the rehabilitated property will require the occupants of the property to participate in a Housing Maintenance Education Training program.

B. Solicitation of Applications

Access to submit applications will be afforded to all persons regardless of age, disability, or income. A citizen meeting will be held to provide information on the program to residents within the target area. Additionally, materials describing the program will be distributed to property owners and residents. Households with literacy concerns, upon notification to the Intake Counselors, will be assisted individually to explain the program. A statement regarding the Provision of the Privacy Protection Act of 1976 will be provided each applicant with the assurance that their rights under the Act will be abided by. Each applicant will be

required to provide a statement indicating the names and ages of all household occupants, who will reside in the assisted property.

C. Application Period & Prioritization

Applications for housing assistance will be accepted during the initial neighborhood meeting which will outline the housing rehabilitation program and the application procedure. Additional applications will be accepted through outreach efforts in the Laurel Street Neighborhood Revitalization Project Area until such time it is estimated that all project funds have been expended or committed to pending housing rehabilitation projects. Eligible applications will be scored according to the rubric below. Applications will be prioritized based on the number of accumulated points and rehabilitation activities will proceed in priority order as applicants are ready for commencement of construction.

Household Characteristics	Points
Long Term Vacant	0
Vacant, but Eligible under Program Design	1
Occupied	2
Female-Headed Household (1 or more children)	2
Each Dependent Child	2
Each Elderly Household Member (older than 62 years)	2
Disabled (other than elderly)	3
Very Low-Income (below 50% of median)	2
Owner	5

Structure Characteristics	Points
Minimal level of repairs required	1
Moderate level of repairs required	2
Major level of repairs required	3
Substantial reconstruction required	4
Lack of indoor plumbing	5
Flood impacted property (additional)	3

Following determination of income eligibility and Oversight Board application approval, the Project Manager or his designee will provide the Housing Rehabilitation Specialist with a list of homes for inspection including blower door testing. For those owners participating in Base Program Assistance, the Housing Rehabilitation Specialist will prepare the work write-up with the owner's signature and a cost estimate. The Housing Rehabilitation Specialist will also prepare the bid packages. The Oversight Board will be provided with a summary of each applicant and rehabilitation job for its approval prior to notifying contractors for bidding (Base Program Assistance) or prior to notifying owners that the lowest responsible bid(s) have been approved.

The applicant must establish clear title to the property as confirmed by a Title Search. The

owner will have to provide a copy of the deed and mortgage. Life estate rights and "rent-to-own" arrangements are an acceptable form of ownership, but shall be recorded in a local court if not already recorded prior to execution of the loan documents. If title issues arise after the household has been ranked or if the beneficiary is otherwise not ready to proceed promptly, the Oversight Board may proceed to the next "rehabilitation ready" property owner on the list and return to the higher ranked beneficiary when he or she is ready.

Applications will be taken on an on-going basis as long as funds are available. All applicants will be notified by letter as to their application status. Persons whose applications are denied have 60 days from receipt of the letter to appeal the decision and will be notified of this in the letter. The Housing Rehabilitation Specialist will determine and document whether an applicant has an emergency situation and will be given priority.

Contractual agreements specifying the responsibilities of all parties will be executed prior to the issuance of a Notice to Proceed. Documents executed will include the deed of trust, deed of trust note, and a three-party construction contract.

D. Conflict of Interest

No work will be done on the property of any person or his/her immediate family who has or had decision-making power in the CDBG program from the time the application was planned, developed and submitted to DHCD through the grant's execution and implementation without DHCD's prior written approval. This includes any elected and appointed officials, employees of the Grantee, and Rehab Oversight Board member members in accordance with Virginia and federal conflict of interest requirements.

E. Benefits Tracking

The City will track required housing rehabilitation applicant and beneficiary information and report this information to DHCD on an annual and as-required basis. Persons will be tracked by their name, property address and LMI and non-LMI status. In addition to the general LMI status, LMI participants will be tracked by extremely low- (0-30%) and very low- (31-50%) income categories. Applicants and beneficiaries will also be tracked by race and ethnicity (as categorized by HUD) as well as by owner-occupied or tenant, female-head of household (occupied by one or more children under the age of 18), elderly household (62 years of age or older), and disabled household status. Beneficiaries who do not wish to identify their ethnicity or national origin will be informed of the reporting requirement and will be identified based on observation by the Housing Rehabilitation Intake Specialist, Rehabilitation Specialist, or Grant Management Consultant.

Demographic data will further be broken down by project activity (owner-occupied housing rehabilitation, investor-owned housing rehabilitation, and substantial reconstruction). Vacant structure property addresses will also be also tracked.

PROPERTY REHABILITATION STANDARDS

All properties receiving rehabilitation assistance will be inspected by the Housing Rehabilitation Specialist in adherence to the Property Rehabilitation Standards of this program which are established as DHCD Housing Quality Standards (HQS). All housing units receiving rehabilitation improvements are restricted to the correction of HQS deficiencies and in accordance with the DHCD requirements for termite control, chimney safety, debris and trash removal, electrical components function, safety and weatherization, etc. Cosmetic improvements will be minimized and related to correcting substandard conditions. Items such as dens, garages, pools, greenhouses, decks, or extraneous landscaping will not be provided with funds from this program.

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SECTION 3: CONTRACTING PROCEDURES

CONTRACTOR RECRUITMENT

Contractors will be solicited by the City of Franklin via newspaper advertisement and direct correspondence to local contractors and other contractors who regularly work in the area from neighboring localities. Public notices and outreach efforts will be made to solicit participation of local, female-owned, and minority businesses.

CONTRACTOR'S QUALIFICATIONS

Contractors wishing to contract housing rehabilitation activities will be required to complete a pre-qualification form requesting information regarding experience and references to determine their qualifications and eligibility to perform rehabilitation work. Contractors must be Commonwealth of Virginia Class A or B or C registered, with a Building Contractor (BLD) or Specialty Contractor in Home Improvement (SVC-HIC). Additional licensure requirements exist for Electrical (ELE), Plumbing (PLB), and Heating, Ventilation, and Cooling (HVAC) contractors acting either as primary or subcontractors according to City of Franklin's adopted building codes. Each contractor must have successfully completed a HUD-approved Renovate, Repair and Paint training course relative to the rehabilitation of housing constructed prior to 1978. Minimum liability insurance requirements are at least \$100,000 proper damage and \$300,000 personal injury. Contractors will also be required to demonstrate creditworthiness. The program will not require contractors to be bonded if adequate credit is established.

A list of pre-qualified contractors will be established and approved by the Oversight Board and maintained by the Housing Rehabilitation Specialist. Additional pre-qualified contractors may be added to the list with Board approval during the course of the project. No contract will be awarded to a contractor until he/she has met all qualification criteria.

Failure to perform under and comply with the terms of the construction contract will be documented by the Housing Rehabilitation Specialist and City Building Official. The Housing Oversight Board can vote to bar a contractor from future bidding based on staff recommendation and/or public complaint. A correspondence to the contractor from the Housing Rehabilitation Specialist and City Building Inspector will be sent by certified mail detailing the problems and the specific reasons for this action. The Complaint and Appeals Procedure, as adopted by the Housing Oversight Board, will be given to all applicants, beneficiaries and contractors.

PRE-BID ACTIVITIES

An informational meeting for contractors interested in submitting a statement of qualifications will be held by the Housing Rehabilitation Specialist for interested contractors. All Federal, State and local guidelines and requirements will be discussed. DHCD Housing Quality Standards, master specifications, bidding procedures, work process and payment schedules will be reviewed. The rehabilitation and housing production projects may be grouped together in phases for bidding purposes in the most effective manner to ensure timely implementation of the program.

BIDDING

All work and materials will be procured through competitive bidding. Bid packages will be provided to all contractors which will include detailed bidding procedures for contractors to follow in preparing and submitting their bids, and rehabilitation specifications with cost estimates. The Housing Rehabilitation Specialist will conduct a walk-through of the structure under consideration for bid. The Oversight Board will review and approve the bids prior to the award of the contracts. Before final approval, the Management Consultant will submit contractor name and DPOR number for debarment.

HOUSING REHABILITATION CONSTRUCTION CONTRACT

For those property owners participating in the Base Program Assistance for housing rehabilitation, the property owner, contractor, and the City will enter into a three-party construction contract, which includes an agreement, general conditions, and Federal construction contract conditions. All local and state licenses and permits will be required for each job. All work must be completed within sixty (60) days of the contract date, or within ninety (90) days for substantial reconstruction projects. Extensions of this time period are subject to the Housing Rehabilitation Specialist's approval and shall be for causes beyond the contractor's control such as inclement weather or material availability.

Change orders are deletions or additions to the specifications made through an addendum to the rehabilitation contract. Change orders will be initiated only by the Housing Rehabilitation Specialist with concurrence by the City Building Inspector for work which was not foreseen prior to construction (conditions obscured by walls, floors, etc.). Change orders will not be executed without signed authorization and agreement of the specified work and cost by the property owner, contractor, and Housing Rehabilitation Specialist. Any and all change orders must be approved by DHCD prior to their execution.

SECTION 4: REHABILITATION CONSTRUCTION PROCESS

PRECONSTRUCTION CONFERENCE

For those property owners participating in the Base Program Assistance for housing rehabilitation, after bids have been received and a contract has been awarded to the lowest responsible bidder, the Housing Rehabilitation Specialist will arrange a walk-through of the property with the owner and/or tenant and the contractor to ensure that: all work to be done is understood between the parties; pertinent questions are answered; the owner/tenant and the contractor are acceptable to each other; the schedule of work is acceptable to all parties; disruption of utilities is discussed; the removal of debris by the property owner or tenant and other clean-up responsibilities are discussed. Property owner preference in colors and styles shall be clarified and documented. Disagreements about the work to be performed shall be resolved by the Housing Rehabilitation Specialist.

INSPECTIONS

For those property owners participating in housing rehabilitation, the Housing Rehabilitation Specialist will make periodic inspections, at a minimum once a week including an inspection made at approximately 50 percent completion in order to authorize partial payment to the Prime Contractor for work completed and approved. The Prime Contractor is responsible for payments to all sub-contractors.

At the conclusion of the rehabilitation, the Housing Rehabilitation Specialist shall perform a final inspection to make sure that construction activities are completed to his satisfaction and in compliance with the construction contract. Any work items not completed to the Housing Rehabilitation Specialist's satisfaction shall be enumerated on a punch list and delivered to the contractor.

Once the contractor has completed the items on the punch list, another HQS inspection and Lead-based Paint Clearance Test by dust swipe method shall be performed by the Housing Rehabilitation Specialist to assure completion of all work and compliance with Lead-based Paint procedures and requirements.

The City Building Official will perform the standard building inspection at the final completion of the rehabilitation and provide a certification of completion/certificate of occupancy.

PROGRESS PAYMENTS

Payment to the Prime Contractor will be made when the work specified in the contract is 50% complete and approved by the Housing Rehabilitation Specialist, City Building Inspector, and property owner. A final payment will be made at the completion of the job and final inspection approval. All work must be completed to the satisfaction of the Housing Rehabilitation Specialist and the City Building Official.

A 5% retainage based on the total contract amount will be withheld from the final progress payment and released when the homeowner final release is obtained and the contractor has submitted all required paperwork. If the property owner refuses to sign for the release of the final payment, the Project Manager may sign for the property owner in cases where the refusal is related to program administration and not related to the quality of the work

performed. Portions of work completed and progress payments will be based upon complete work items, not materials delivered to the project, start-up costs, or partial completions.

Payments to the contractor will be made within thirty (30) days of inspections for work performed except as follows. Release of the final payment will not be made until the Rehabilitation Specialist has certified that all DHCD required contractor paperwork has been entered into the property owner's project file, as stipulated below.

1. Electrical inspection report by a certified electrical inspector;
2. Exterminator Inspection/Treatment Report;
3. Chimney Inspection Report, if applicable;
4. Initial and Final Blower Door Test Reports;
5. Initial and Final HQS Inspection Reports, signed and dated;
6. Progress Inspection Reports;
7. Payment Approval Inspection Reports;
8. Punch List Inspection Report;
9. Lead-based Paint Clearance Test;
10. Building Permit;
11. Building Code Inspection Report;
12. Affidavit of Release of Liens;
13. Affidavit of Payment of Debts and Claims;
14. Register of Assigned Employees; and
15. Monthly Register of Contractors, Subcontractors and Suppliers.

COMPLAINT AND APPEALS PROCEDURE

Oral complaints of any nature and by any party shall be documented and resolved by the Project Manager as informally and quickly as possible. If the complainant requires assistance in putting his or her complaint or appeal in writing, staff will make such assistance available. Written complaints received by the Project Manager or the City of Franklin will be resolved and documented in consultation with the Oversight Board. The person making the complaint will be notified in writing of the decision. All written complaints will be addressed within thirty (30) days of receipt and resolved within the subsequent thirty (30) day period and documentation retained for review.

Barring a resolution of the complaint by the Oversight Board, the complaint may be taken to the Laurel Street Neighborhood Revitalization Management Team with the same requirements as above. Barring a resolution of the complaint by the Management Team, the complaint may be taken to the City Council where a non-legal resolution is final.

Any final appeal will be addressed in writing to DHCD where a non-legal resolution is final. Appeals to DHCD should include a copy of all correspondence that has taken place to

date. The appeal should identify the problem and the desired solution. DHCD will investigate the complaint and respond in writing in a timely manner. All involved parties will be copied. Beyond this step, the complainant may seek a legal remedy in the local court of jurisdiction at complainant's own cost.

Once a job is Inspectorly closed out and the one-year warranty period is in effect, the property owner should address complaints, in writing, directly to the contractor involved in the rehabilitation.

LEAD-BASED PAINT

Lead-based paint may be found in properties constructed prior to 1978 and any owner and tenant of such properties will be appropriately notified of this potential health hazard, especially for children under the age of six (6) and pregnant women. All properties receiving rehabilitation assistance will be required to comply with the federal lead-based paint regulation found in 24 CFR Part 35.

All properties constructed prior to 1978 are presumed to have the presence of lead paint and are required to have a visual inspection, conducted in conjunction with initial HQS inspection by Housing Rehabilitation Specialist assisted by a contracted Lead Risk Assessor to determine the presence of deteriorated paint surfaces, paint dust, chips or residue, or rehab activity which will disturb a paint surface and which exceeds the allowable 'de minimus' levels permitted by HUD regulations.

If a visual inspection reveals such conditions, the property must undertake the following "interim measures" or "standard treatments" to protect occupants and workers during rehabilitation:

1. All contractors, subcontractors and crew, including volunteer workers, must attend the "Lead Safe Work Practices" training class conducted by a licensed trainer or provide documentation of valid certification. This class will be offered at least one time during the project;
2. For each contractor working on a property constructed prior to 1978 there must be one individual per contractor certified by the Environmental Protection Agency as a Certified Renovator through completion of the EPA's Renovation, Repair and Painting training course.
3. Occupants must be protected during the course of the work;
4. Lead-based Paint Clearance Testing by the dust swipe method must be performed by the Housing Rehabilitation Specialist at the conclusion of the work; and
5. All houses must successfully pass the Lead-based Paint Clearance Test.

SECTION 5: HOME MAINTENANCE EDUCATION

It is mandatory the occupants of each household receiving housing rehabilitation participate in a Home Maintenance Education training course to receive instruction and direction in the day-to-day use and routine maintenance of the newly provided facilities and improvements, housekeeping matters, and household budgeting as outlined below. The educational program will include formal classes to disseminate information and some aspect of in-home training for household-specific needs.

The Home Maintenance Education program will be "hands on" in nature and provide, at minimum, the following instructional components:

1. An explanation of how the heating system, the plumbing system, the electrical system, and the water heater function, description of the proper use of these systems, and a description of potential common problems and solutions;
2. An explanation and, if necessary, demonstration of how to properly clean and maintain these systems on a routine, seasonal, and annual basis; and
3. Instruction on household budgeting and personal financial management which explains how to establish and use checking and savings accounts, how to select and purchase insurance coverage, and how to establish and follow a household budget. Instruction will include a discussion regarding predatory lending and the importance of having a will listing one's beneficiaries.
4. The program will include two booklets which provide information covering household maintenance, housekeeping, and budgeting topics, a tool kit, and a cleaning kit.

All beneficiaries will be required to participate in the educational program following participation in the assistance program under the following guidelines:

1. There is no exemption for elderly households or households receiving less than \$10,000 in assistance as might exist with other housing programs. If the homeowner is physically unable to attend the home maintenance education class, then the training shall be offered at the homeowner's residence.
2. Sign-in sheets must be used to document attendance by beneficiaries. A copy of the agenda outlining the topics covered and individual(s) leading the discussion, along with a signed certification listing all handouts and warranties given to the attendees will be placed in the project file.

SECTION 6: PROGRAM DESIGN AMENDMENTS

During the implementation of the housing assistance program, City staff responsible for the project may find it necessary to make minor changes and refinements as the program proceeds. Examples of these administrative decisions would be annual updates of the VDHCD LMI guidelines and interpretation of eligible income adjustments.

If a major alteration to the program design is deemed necessary to better achieve the intent of the program, the staff will provide the proposed changes to the Oversight Board, Project Management Team, and City Council for consideration and adoption. Any major change will be submitted to DHCD for review and approval. Items constituting a major change in the program would include modification of the types of assistance to be provided or the eligibility criteria for assistance. This housing assistance program will be implemented to assure that consistent and equitable assistance is provided to all program participants.

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SECTION 7: ADOPTION BY CITY COUNCIL

Reviewed and adopted by the Franklin City Council in session:

Ms. Amanda Jarratt
City Manager & Certifying Officer
City of Franklin

Date

DRAFT

SECTION 8: UPDATES TO PROGRAM DESIGN

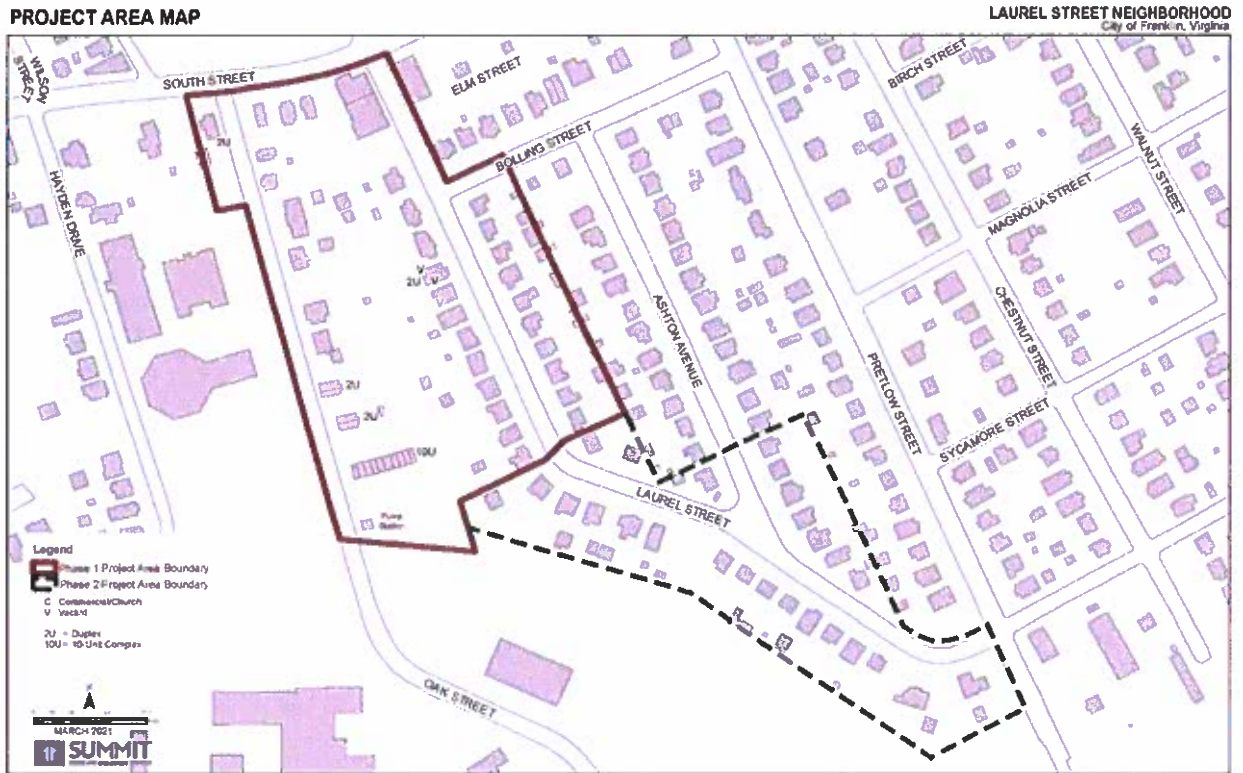
1. Program Design was updated during the Laurel Street Management Team meeting held on ____
_____. Refer to project meeting minutes for specific modifications.

Ms. Beverly Walkup
Interim Director of Community Development
City of Franklin

Date

DRAFT

Appendix A: Project Area Map



Appendix B: DHCD Housing Rehabilitation Cost Limits

Department of Housing and Community Development
Program Administration and Assistance Office

Housing Rehabilitation Cost Limits as of July 1, 2020

Limits for Houses constructed after 1978 or XRF Testing Showing No Lead

Activity	IPR-Flex REHAB		IPR-Flex SUBSTANTIAL		CDBG	
	Failed Septic	No Bathroom	Failed Septic	No Bathroom	Rehab	Substantial
Base	65,000	95,000	95,000		65,000	95,000
Exceptions	20,000	Inclusive	Inclusive		20,000	Inclusive
Alternative Septic	10,000	10,000	10,000		10,000	10,000
Deliverables/Admin	7,500	7,500	7,500		Policy	Policy
Deliverables/Admin (add with IPR partner)	1,000	1,000	1,000		0	0
RS	5,000	5,000	5,000		Policy	Policy
CRSC*	9,300	9,300	9,300		5,000	5,000
TOTAL	117,800	125,800	127,800		100,000	110,000

*CRSC includes ACM, temporary relocation, HMEP, legal fees, and lead inspection/risk assessment

Limits for Houses constructed before 1978 - No XRF Test - Presumed Lead

Activity	IPR-Flex REHAB		IPR-Flex SUBSTANTIAL		CDBG	
	Failed Septic	No Bathroom	Failed Septic	No Bathroom	Rehab	Substantial
Base	25,000	25,000	95,000		25,000	95,000
Exceptions	25,000	50,000	Inclusive		25,000	Inclusive
Alternative Septic	10,000	10,000	10,000		10,000	10,000
Deliverables/Admin	7,500	7,500	7,500		Policy	Policy
Deliverables/Admin (add with IPR partner)	1,000	1,000	1,000		0	0
Rehab Specialist	5,000	5,000	5,000		Policy	Policy
CRSC	9,300	9,300	9,300		9,300	9,300
TOTAL	82,800	107,800	127,800		69,300	114,300

*CRSC includes ACM, temporary relocation, HMEP, and legal fees

All allowances are maximum allowable cost (up to) and must be substantiated by invoices.

Limits for Houses constructed before 1978 AND participating in Lead Hazard Reduction Program

Activity	IPR-Flex REHAB		IPR-Flex SUBSTANTIAL		CDBG	
	Failed Septic	No Bathroom	Failed Septic	No Bathroom	Rehab	Substantial
Base	65,000	95,000			65,000	
Exceptions	20,000	Inclusive			20,000	
Lead Related Rehab	24,000	24,000			24,000	
Lead Insp, Risk Assessment, Clearance Testing	2,225	2,225			2,225	
Alternative Septic	10,000	10,000			10,000	
Deliverables/Admin (including lead)	11,000	11,000			Policy	
Deliverables/Admin (add with IPR partner)	1,000	1,000			0	
RS	5,000	5,000			Policy	
CRSC*	9,300	9,300			Policy	
TOTAL	147,525	157,525			121,225	

*CRSC includes ACM, temporary relocation, HMEP, and legal fees



**LAUREL STREET NEIGHBORHOOD REVITALIZATION PROJECT
PHASE I
VA CIG #21-21-01**

PROPOSED

**PROJECT MANAGEMENT PLAN
CITY OF FRANKLIN, VIRGINIA**

DRAFTED March 17, 2022

**ASSISTANCE PROVIDED BY:
SUMMIT DESIGN AND ENGINEERING SERVICES**

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PURPOSE OF PROJECT MANAGEMENT PLAN

The City of Franklin's Laurel Street Neighborhood Revitalization Project will be implemented and managed as outlined in the following Project Management Plan. This document is a comprehensive plan stipulating the roles and responsibilities of those persons involved in the project and the timeframe to accomplish identified tasks. The Management Team is identified in this document and will meet on a regular schedule to oversee and monitor each element of the project to assure effective implementation. Specific project benchmarks have been established with target dates for completion of key tasks and assignment of responsibility with support personnel. The plan and regular meetings of the Management Team will assist in identifying potential problems in project implementation and devise a plan of action to mitigate or resolve the problems and keep the project on course. The plan will be useful in keeping local government officials informed of the status of the project.

MANAGEMENT PLAN UPDATES AND REVISIONS

The Project Management Plan has been developed with input from all individuals involved with project implementation. The plan will be reviewed on a regular basis and will be updated as required. The official copy of the plan will be executed by the City of Franklin's City Manager as Certifying Officer and the Virginia Department of Housing and Community Development (VDHCD) Community Development Specialist assigned to the project and will be incorporated into the City's grant agreement with VDHCD thereby becoming an official contract document. The same parties will execute all plan revisions.

PROJECT DESCRIPTION

The City of Franklin has received a Community Improvement Grant (CIG) of Community Development Block Grant (CDBG) funds from the VDHCD for Phase I of two planned Phases to improve living conditions of the citizens of the Laurel Street Neighborhood in the City of Franklin.

The scope outcome of the project is to improve the living conditions of fifteen (15) total households, which are all low and moderate income (LMI) households, through the provision of housing rehabilitation activities. Five (5) owner-occupied housing rehabs and ten (10) investor-owned housing rehabs are to be completed. Additionally, sewer system improvements will be made throughout the project area, which will benefit a total of 47 households, 29 of which are low and moderate (LMI) households.

PROJECT ACTIVITIES

The total Phase I project cost is \$1,747,500. VDHCD's allocation is \$1,360,000 in CDBG funds; the City will contribute \$283,800 in funds and in-kind services; additional grants will supply \$37,000; and private investors will contribute \$66,700. Project activities include the following:

1. Administration: Administration of this project in a timely and compliant manner (CDBG funds);
General Program Administration 24 CFR 570.206 or 24 CFR 570.489(a)(3)
2. Interim Assistance/Neighborhood Cleanup: Clearance of all junk, debris, weeds, and inoperable vehicles from the project area, including annual neighborhood cleanups, to assist residents to dispose of outside debris (CDBG funds);
Neighborhood Cleanups 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)
3. Rehabilitation of five (5) LMI single-family owner-occupied housing units to DHCD Housing Quality Standards (HQS) (CDBG funds and non-CDBG funds);
Rehabilitation: Single-Unit Residential 24 CFR 570.202(a)(1) or 42 USC 5305(a)(4)
4. Rehabilitation of ten (10) LMI investor-owned housing units to DHCD Housing Quality Standards (HQS) (CDBG funds and non-CDBG funds);
Rehabilitation: Single-Unit Residential 24 CFR 570.202(a)(1) or 42 USC 5305(a)(4)
5. Design, inspection and installation of sanitary sewer system through lateral upgrades and improvements to the sanitary sewer force main. The sewer improvements will eliminate the current sewer backups and odor, as well as eliminate standing water due to inadequate storm water drainage, reducing the health risk to the people living in the area (CDBG funds and non-CDBG funds);
Sewer Improvements 24 CFR 570.201(c) or 42 USC 5305(a)(2)

INTERACTION OF MANAGEMENT TEAM & OVERSIGHT BOARD

The City of Franklin has appointed citizens and City officials to serve on the Housing Rehabilitation Oversight Board (Oversight Board). The Oversight Board governs the Housing Rehabilitation Program. It will provide oversight to the Grant Administrator/Project Manager as related to housing rehabilitation and homeownership creation and to the Housing Rehabilitation Specialist. The specific functions of the Board are outlined in its bylaws. The Board's objective is to provide for fair and equitable application of program funds to the identified beneficiaries. Certain members of the Board also serve on the Project Management Team and will interact with the remaining team members providing regular updates on project progress, problems, and overall coordination of the housing assistance effort. The following positions with an asterisk (*) will also serve on the Oversight Board, either as Board of Supervisors appointed members or as non-voting Oversight members.

PROJECT IMPLEMENTATION

The Laurel Street Neighborhood Revitalization Project will be primarily implemented by the following positions. Roles noted with an asterisk (*) represent voting members of the Housing Rehabilitation Oversight Board.

Grant Administrator and Certifying Officer* – The City Manager will be responsible for the overall implementation and management of the project. They are responsible for processing all contracts and other items requiring Board of Supervisors approval. All positions involved in the project will report directly to the Grant Administrator and the Grant Administrator will receive and process complaints. They will also serve as the Certifying Officer responsible for signing all documents of compliance for DHCD reporting and monitoring requirements.

Project Manager – The Director of Community Development will serve as the Project Manager responsible for general oversight of all project activities. They will lead the Project Management Team and Oversight Board. They will prepare and approve all disbursement reports to be forwarded with appropriate invoices and other documentation to the Finance Department for payment. They will oversee the Contracted Rehabilitation Specialist and provide general oversight for housing rehabilitation. Additionally, they will coordinate overall outreach and the application process for the housing rehabilitation program.

Project Coordinator of Infrastructure – The Deputy Director of Public Works will coordinate the force main upgrade and will oversee and coordinate work of the Project Engineer.

Environmental Specialist – The Environmental Specialist will monitor Erosion and Sediment Control activities.

Project Engineer – The Engineer will coordinate acquisition of easements and permitting and develop engineering plans and specifications for the storm drainage improvements. The Engineer will assist in the bidding process for these projects, monitor progress, do inspections of the improvements, and certify pay requests to contractors and subcontractors based on work progress.

Financial Analyst/Loan Officer* – The Financial Analyst will be responsible for managing the overall financial records for the project. They will be responsible for the day-to-day accounting activities including receiving and assisting with payment of all invoices properly approved and forwarded by the Project Manager; ensuring the proper entry of all payments and receipts in the City's accounts and general ledger; tracking all loans and loan repayments generated by the project; and preparing a project financial report (monthly, bi-monthly, or quarterly as needed) for meetings of the Project Management Team.

City Building Official – The City Building Official is responsible for issuing building permits for rehabilitation projects as well as demolition permits as required for substantial rehabilitations and other property clearance activities.

The City Building Official or their designated Inspector is responsible for intermittent and final inspections to monitor rehabilitation work and close-out of individual projects including certification that all property maintenance code/building code requirements have been

fulfilled. They are responsible for issuing certifications of completion/certificates of occupancy for all housing rehabilitation projects.

Neighborhood Sparkplugs* – Residents of the City of Franklin will serve as the neighborhood representatives for the project. As active, long-term members of the community and with an understanding of the intent and content of the project, the sparkplugs will assist the City by communicating with project area residents to ensure they fully understand the program. If a sparkplug is selected to be a program beneficiary, they will not sit on the Housing Oversight Board.

Rehabilitation Specialist – The Rehabilitation Specialist will be responsible for developing and maintaining a list of pre-qualified contractors in coordination with the Oversight Board and Project Managers. The Rehab Specialist will serve as the liaison with participating residential property owners and residents and rehabilitation contractors. The Rehab Specialist will be responsible for monitoring the quality, cost, and HQS requirements of the housing rehabilitation activities. The Rehab Specialist will serve as the Lead Risk Assessor and will be responsible for ensuring “lead safe work practices” are followed by all project contractors/sub-contractors and for Lead-based Paint Clearance Testing. The Rehab Specialist will serve as the liaison with participating residential property owners, residents, and rehabilitation contractors. The Rehab Specialist will be responsible for monitoring the quality, cost, and HQS requirements of the housing rehabilitation activities.

Initial duties for each home to be rehabilitated include initial HQS inspections, blower door testing, lead-based paint notifications/approvals, work write-ups, and cost estimates. The Rehab Specialist will review the completed work write-up and the regulatory requirements with the property owner and tenant, as appropriate. The Rehab Specialist will secure a signature from the property owner indicating approval of the proposed improvements. This shall be done prior to bidding the job.

The Rehab Specialist will prepare master specifications and necessary support materials, bid packages (both rehabilitation and substantial reconstruction); distribute the bid packages to the list of pre-qualified project contractors; conduct pre-bid and pre-construction conferences and walk-throughs; issue any addenda to the bid package; review and make recommendations for contract award, price negotiations, and any necessary change orders (with approvals as outlined in the Project Program Design); monitor the work as it progresses to ensure that specifications are met; and approve pay requests for all rehabilitation contractors.

The Rehab Specialist will serve in a support role to the City Building Inspector for intermittent and final inspections to monitor rehabilitation work and close-out of individual projects including certification that HQS violations have been alleviated. The Rehab Specialist is responsible for certifying that all work has been completed in compliance with work write-ups, construction plans, and other program requirements before progress and final payments can be made to project contractors.

The Rehab Specialist is also responsible for inspecting properties designated as relocation resources if they are needed to determine if they are decent, safe, and sanitary dwellings.

Grant Management Consultant – The Consultant will provide technical assistance services in the implementation of the project. This will include assisting with day-to-day grant management administration in compliance with DHCD requirements. They will assist in all aspects of the project including, but not limited to, preparing for monthly meetings of the Project Management Team and Oversight Board, CDBG file maintenance, submitting reports to DHCD, project marketing to neighborhood residents eligible for participation, application intake and verification, necessary acquisitions, and any necessary relocations in keeping with the Uniform Relocation Act, Labor Compliance records, compliance reviews, and project close-out.

Additionally, the Consultant will review eligibility verification documents including certification of income level and LMI status of owner-occupants and tenants as required for completing the Housing Rehabilitation Program application. They will oversee the final “applicant package” for presentation to the Oversight Board for approval. They will also coordinate the preparation of loan closing documents and construction contract(s) with City Staff and the City Attorney for the Housing Rehabilitation Program.

The Consultant will further assist with tracking CDBG, City, and other expenditures in a manner consistent with VDHCD policies; provide a periodic tracking report for VDHCD and City purposes; prepare all drawdown requests and drawdown support materials; prepare any budget revisions; and monitor project finances offering suggestions and adjustments necessary to keep the project finances in order.

Housing Rehabilitation Intake Specialist – The Housing Rehabilitation Intake Specialist will coordinate solicitation, completion, and receipt of application packages and required verification information for the Housing Rehabilitation program.

The Intake Specialist, in conjunction with the Grant Management Consultant, will assist with preparation of eligibility verification documents including certification of income level and LMI status of owner-occupants and tenants as required for completing the Housing Rehabilitation Program application. The Intake Specialist will also coordinate the preparation of loan closing documents and construction contract(s) with City Staff and the Grant Management Consultant for the Housing Rehabilitation Program.

Liaisons to City Council* – Current Ward 4 and Ward 5 Council Members will serve as liaisons to the Franklin City Council. It is anticipated that the Councilmembers will attend meetings of the Project Management Team and will be kept fully informed of project progress through regular updates by the Grant Administrator. Neither Council Member owns property in the proposed project area and will serve on the Housing Oversight Board.

Consulting Attorney – The contracted City Attorney will serve in a consulting capacity by reviewing all contract and loan document templates to be utilized in the Housing Rehabilitation Program for appropriateness and accuracy and providing other legal services as deemed appropriate by the Grant Administrator and Certifying Officer. It is not anticipated that the attorney will attend meetings of the Project Management Team.

COMMUNICATION AND PROJECT OVERSIGHT PROCESSES

The project's Liaisons to the Franklin City Council, on behalf of the Management Team, will provide at least quarterly updates on the project's progress to the Board of Supervisors and the City Council. The reports and meeting minutes will be documented in the grant files.

The Management Team will hold regular monthly meetings at 2:00 pm on the third Wednesday of the month and on a called basis as needed. Meetings will be held in the City Administration Building unless otherwise pre-arranged and may be held in person, virtually, or in a hybrid fashion. Meeting agendas and supporting materials will be prepared by the Grant Management Consultant and distributed for review via email one week prior to the scheduled meeting. Agenda packets will be hand delivered to Sparkplugs and text message meeting reminders sent to all who request.

The Project Management Plan (PMP) will serve as the primary tool to monitor the progress of the project. At each Management Team meeting, the Grant Management Consultant will ensure the project timeline and budget is reviewed and to verify milestones are being met and the project is proceeding within budget. Where milestones have not been met or budget adjustments are necessary, the Management Team will determine what action must be taken to get the project back on track. Revised deadlines and actual completion dates will be updated in the PMP timeline. Changes in Management Team and Oversight Board membership will also be updated in the PMP. Budget revision requests will be submitted to DHCD for consideration through the Central Administration and Management System (CAMS).

The Grant Administrator will lead the Housing Rehabilitation Oversight Board (Oversight Board). Regular Oversight Board meetings will be held on the third Wednesday of each month following the Management Team Meeting and on a called basis as needed. Oversight Board meetings may be held in person, virtually, or in a hybrid fashion. Votes approving applications, bids, and prequalified contractors may be held in person, virtually, in a hybrid fashion, or by email.

The Grant Management Consultant or designee will be responsible for preparing meeting minutes which will reflect all actions taken by the Management Team and/or the Oversight Board. While the regular meetings may follow one another, separate agendas and minutes will be recorded and submitted to each Management Team and/or Oversight Board member, including the Community Development Specialist (CDS). Actions proposed and acted upon by email will be documented by the Grant Management Consultant and affirmed at the next in-person, virtual, or hybrid meeting. All agendas and minutes will be placed in the project files.

The Grant Management Consultant will submit the required monthly progress report to the CDS by email on or before the 20th of each month. Monthly progress reports for a calendar year will be assembled into a single file and uploaded in CAMS.

The Grant Management Consultant will work with the Project Manager to ensure there is effective outreach to housing rehabilitation applicants and clearly communicate the purpose of the project and its terms and conditions for participation.

The Neighborhood Sparkplugs will serve as liaisons between the neighborhood and the City, recruit participants for programs, share information with fellow neighborhood residents,

inform residents about the project's progress, and provide the Management Team and Oversight Board with community feedback.

The Grant Management Consultant, in conjunction with the CDS and the Project Manager, will ensure that the following items are uploaded into CAMS prior to the pre-contract review:

- Executed Certification of Signatures and Address
- Executed Fair Housing Certification
- Published Environmental Review advertisement (FONSI/NOI-RROF or NOI-RROF or Certification of Exemption as applicable)
- Executed Request for Release of Funds and Certification

Upon document execution or update, the Grant Management Consultant, in conjunction with the CDS and the Project Manager, will ensure that the following items are uploaded into CAMS:

- Project Management Plan (PMP), including the Management Team Roster and Timeline
- Adopted Housing Rehabilitation Oversight Board Bylaws, including the Board Roster
- Adopted Program Design and/or other required plans, including the Relocation Plan
- Adopted Program Income Plan
- CDBG Agreement

EXPENDITURE REVIEW AND PAYMENT PROCESS:

1. Consultant invoices will be initialed, dated and coded by the Project Manager and forwarded to the Finance Analyst to process for payment.
2. Housing Rehabilitation construction invoices will be submitted to the Rehabilitation Specialist to be reviewed, signed, and dated by the contractor, homeowner, and rehabilitation specialist. The Rehab Specialist will submit the invoice to the Grant Management Consultant to be signed and dated. The Grant Management Consultant will submit the invoice to the Project Manager who will initial, date and code the invoice and forward to the Financial Analyst to process for payment.
3. Infrastructure construction invoices will be submitted to the Engineer to be reviewed, signed, and dated by the contractor and Engineer. The Engineer will submit the invoice and payment recommendation to the Project Manager who, in consultation with the Environmental Engineer, will initial, date, and code the invoice and forward to the Financial Analyst to process for payment.
4. Remittance requests will be prepared by the Grant Management Consultant at least quarterly and more often as needed, including a cover memo, approved invoices, checks and/or administrative products. The Financial Analyst will submit the remittance requests via CAMS. Naming of documents will be done in a manner prescribed by DHCD. The Project Manager will designate the Financial Analyst on the City's project profile in CAMS.
5. The Grantee will request CDBG funds on a reimbursement basis. EDI is in place and requested funds will be received electronically. Disbursement of funds within five working days of receipt from DHCD will not need to be tracked.
6. The Grant Management Consultant, in conjunction with the Rehabilitation Specialist and the Financial Analyst, will ensure all housing rehabilitation change orders are paid with the final invoices. Exceptions will be considered on an individual basis in consultation with DHCD.
7. The Grant Management Consultant will be responsible for ensuring that the Financial Analyst receives copies of all fully executed/approved invoices. The Financial Analyst will ensure that the Grant Management Consultant will receive copies of all approved invoices and disbursement checks, grant, and EDI Remittance receipts. The Financial Analyst will ensure bank statements, general ledger accounts, and other financial tracking data will be available for review by the CDS during compliance reviews.
8. The Grant Administrator, in conjunction with the Financial Analyst, will ensure project funds are appropriated annually. Documentation of the annual appropriation will be transmitted to the Grant Management Consultant for inclusion in the project files.
9. The City will provide in-kind services which include, but are not limited to, waived building permit fees. Documentation of waived permits will be provided by the City Building Official to the Grant Management Consultant. The Grant Management Consultant will prepare the local leverage report in conjunction with the CFO.

10. The Grant Management Consultant will be responsible for preparing any necessary budget revisions. The Financial Analyst will be responsible for submitting them via CAMS.
11. The Financial Analyst will be responsible for uploading the annual audit in CAMS.
12. The Grant Management Consultant will be responsible for ensuring that the Financial Analyst receives a copy of the Program Income Plan and a copy of Chapter 5 of the Grant Management Manual.

IDENTIFICATION OF POTENTIAL PROBLEMS:

The Project Management Team has identified potential problems and steps which will be taken to avoid them. Common housing rehab issues include:

- 1. Lack of Participation by Eligible Households in the Housing Rehab Program.** Lack of participation may result from the owner's lack of understanding of the program or a general lack of interest. Many senior citizen residents and heir property owners are uncomfortable with the required lien and are unsure about participating in the program. The Grant Management Consultant will ensure regular project updates, mailings, flyers, and/or community meetings are provided to encourage greater participation, if necessary. The Neighborhood Sparkplugs will play a key role in making sure this potential problem does not materialize. All households were surveyed by staff to determine eligibility during project development. New residents or current residents who initially declined to participate in the project and later wish to apply will have their applications accepted on an ongoing first come, first-served basis provided CDBG funds are available after all units identified in the grant application are served.
- 2. Lifetime Rights.** Residents with lifetime rights must obtain a legally recorded Life Estate to receive substantial reconstruction. The property owner(s) must still agree to grant the tenant lifetime rights and to legally record it. The Neighborhood Sparkplugs will play a key role in making sure this potential problem is identified and resolved by the owner(s) and resident(s).
- 3. Heir Property.** Where properties are owned by multiple persons, all owners must agree to housing rehabilitation. Family dynamics are subject to change and the property owners must still agree to participate in the project. The Neighborhood Sparkplugs will play a key role in making sure this potential problem is identified and resolved by the owner(s) and resident(s).
- 4. Lead-Based Paint and Asbestos.** Homes slated for rehab constructed prior to 1978 are expected to contain lead-based paint. The Rehab Specialist is a licensed Lead Risk Assessor and will test for the presence of lead-based paint during the initial HQS inspection. Interim control measures will be used during construction when necessary. The City will procure an EPA-certified contractor to rehabilitate homes determined to contain lead paint. The Rehab Specialist, as the Risk Assessor, will note compliance with LBP requirements on the weekly progress reports. Likewise, the Rehab Specialist will be responsible for hiring a licensed asbestos inspector to perform initial asbestos inspections and related tests for all substantially reconstructed units and/or demolished units. Where appropriate asbestos-licensed contractors will be procured for demolition work.
- 5. Temporary Relocations.** Some residents may be required to seek other living arrangements while their homes are being rehabilitated and/or tested for lead clearance. The Grant Management Consultant, in conjunction with the Rehabilitation Specialist and the Project Manager, will encourage the resident to seek accommodations with a family member, friend, or neighbor until construction of the home is completed. All residents will be expected to make such arrangements themselves and pay for any related lodging costs or bills more than the budgeted amount. Temporary relocation

assistance will be limited to \$2,000.00 per beneficiary – up to \$1,000 for a storage unit and up to \$1,000 for lodging expenses - after all other options have been explored.

6. **Prolonged Inclement Weather.** Unseasonable weather could result in delays and rescheduling during construction. If unseasonable weather occurs, it will be noted on the Rehab Specialist's weekly inspection reports to support any necessary change orders. Change orders will reflect any additional time required. The Grant Management Consultant will also note delays in construction due to inclement weather in the monthly progress reports to support any potential contract extension.
7. **Well Problems:** No well problems are expected as all housing units in the project area are connected to the City water service.
8. **Septic System Problems:** No septic system problems are expected as all housing units in the project area are connected to the City sanitary sewer service.
9. **Lack of Quorum:** During the holidays and summer it may be difficult to obtain a quorum. To help alleviate this problem meetings may be held by conference call or virtually, and Oversight Board votes may be held by email.

The Grantee understands no work will be performed on the property of any employee, elected or appointed official or employee, or Housing Rehabilitation Oversight Board without DHCD's prior written approval.

COMPLAINT AND APPEALS PROCEDURE

Oral complaints of any nature and by any party shall be documented and resolved by the Project Manager as informally and quickly as possible. If the complainant requires assistance in putting his or her complaint or appeal in writing, staff will make such assistance available. Written complaints received by the Project Manager or the City of Franklin will be resolved and documented in consultation with the Oversight Board. The person making the complaint will be notified in writing of the decision. All written complaints will be addressed within thirty (30) days of receipt and resolved within the subsequent thirty (30) day time period and documentation retained for review.

Barring a resolution of the complaint by the Oversight Board, the complaint may be taken to the Laurel Street Neighborhood Comprehensive Community Development Management Team with the same requirements as above. Barring a resolution of the complaint by the Management Team, the complaint may be taken to the City Council where a non-legal resolution is final.

Any final appeal will be addressed in writing to DHCD where a non-legal resolution is final. Appeals to DHCD should include a copy of all correspondence that has taken place to date. The appeal should identify the problem and the desired solution. DHCD will investigate the complaint and respond in writing in a timely manner. All involved parties will be copied. Beyond this step, the complainant may seek a legal remedy in the local court of jurisdiction at complainant's own cost.

Once a housing rehabilitation project has passed final inspection and closeout forms are signed, the one-year warranty period is in effect and the property owner should address complaints, in writing, directly to the contractor involved in the rehabilitation.

Amanda Jarratt, City Manager
City of Franklin
207 W. Second Ave.
Franklin, VA 23851
757/562-8561

PROJECT TIMELINE

The project timeline is attached in Appendix C.

APPROVALS

Amanda Jarratt, City Manager
CITY OF FRANKLIN

Date

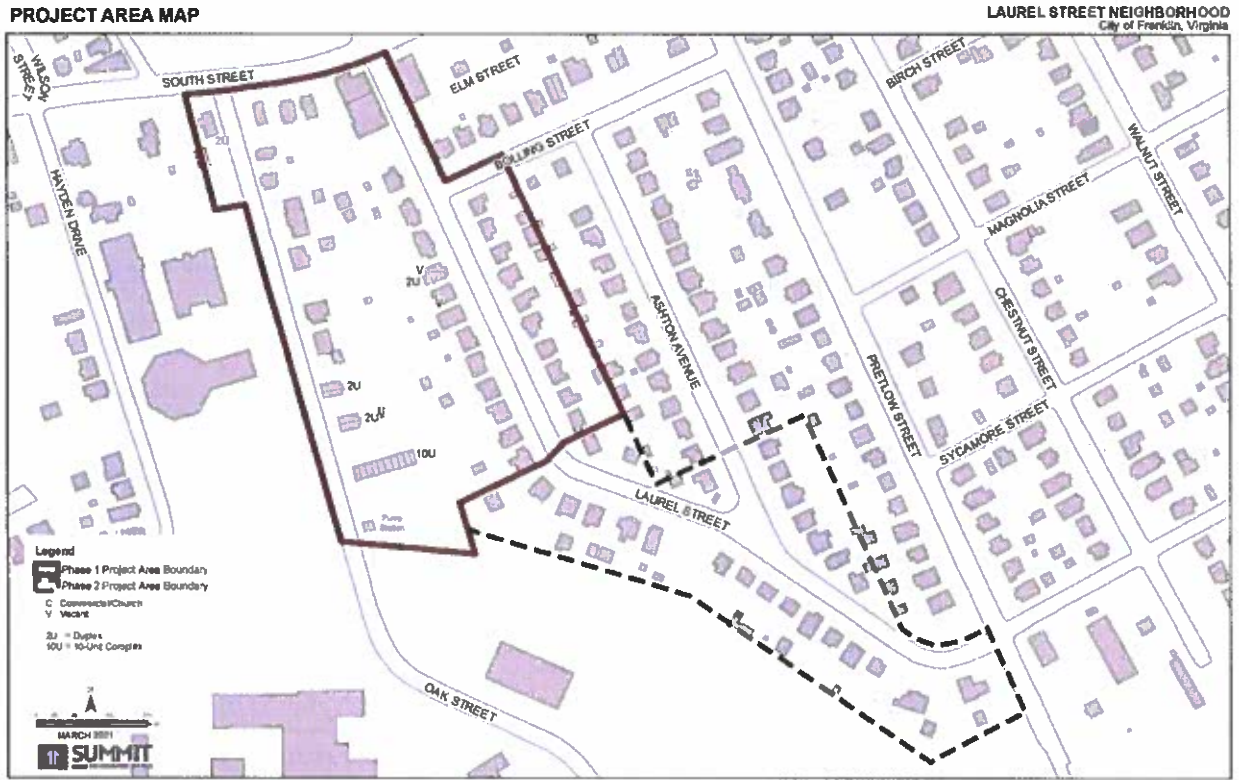
Janet Jonas, Grant Management Consultant
Summit Design and Engineering

Date

Kirsten Vroman, Community Development Specialist
VIRGINIA DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

Date

Appendix A. Project Area Map



Appendix B. Management Team Roster and Oversight Board Roster

PROJECT MANAGEMENT TEAM		
NAME	ORGANIZATION/ROLE	CONTACT: EMAIL/PHONE
Amanda Jarratt	City Manager Program Administrator/Certifying Officer	ajarratt@franklinva.com 757-562-8506
Beverly Walkup	Interim Dir. of Community Development Project Manager	bwalkup@franklinva.com 757-562-8681
Joy Dawson	Administrative Assistant Permit Technician	jdawson@franklinva.com 757-562-8682
Joe Ann Faulk	Financial Analyst / Loan Officer	jfaulk@franklinva.com 757-562-1463
Chad Edwards	Director of Public Works	cedwards@franklinva.com 757-562-8562
Steve Watson	Deputy Director Public Works Project Coordinator of Infrastructure	swatson@franklinva.com 757-562-8563
Wynndolyn Copeland	City Council Member	ward-5@franklinva.com jcwhc95@gmail.com 757-562-7237 cell: 757-651-9069
Linwood Johnson	City Council Member	ward-4@franklinva.com dollarbusi@yahoo.com cell: 757-907-3696
Bob Crum	Executive Director, Hampton Roads PDC	rcrum@hrpdcva.gov
Ruby Ford	Neighborhood Spark Plug	757-569-1314
Thomasine Epps	Neighborhood Spark Plug	757-569-0422
Virginia Department of Housing and Community Development		
Kirsten Vroman	Community Development Specialist Virginia DHCD	kirsten.vroman@dhcd.virginia.gov 804/385-6583
Grant Management Consultant		
Janet Jonas	Grant Management Consultant Summit DE	janet.jonas@summitde.com 804/204-1022 ext. 3406
Joel Webne	Assistant Grant Management Consultant Summit DE	joel.webne@summitde.com 804/204-1022 ext. 3404
Phil Sherman	Construction Manager Summit DE	phil.sherman@summitde.com 804/204-1022 ext. 3405
Hunter Whittington	Funding Specialist Summit DE	hunter.whittington@summitde.com 804/204-1022 ext. 3184
Engineer		
Kevin Wynn	Engineer Kimley-Horn	kevin.wynn@kimley-horn.com 757-213-8600
Andrew Farthing	Engineer Kimley-Horn	andrew.farthing@kimley-horn.com 757-213-8600
Rehab Specialist		
Ken Rodgers	Rehabilitation Specialist SERCAP	krodgers@sercap.org 540/345-1184

HOUSING REHABILITATION OVERSIGHT BOARD – VOTING MEMBERS		
NAME	ORGANIZATION/ROLE	CONTACT: EMAIL/PHONE
Amanda Jarratt	City Manager Program Administrator/Certifying Officer	ajarratt@franklinva.com 757-562-8506
Joe Ann Faulk	Financial Analyst / Loan Officer	jfaulk@franklinva.com 757-562-1463
Wynndolyn Copeland	City Council Member	ward-5@franklinva.com jcwhc95@gmail.com 757-562-7237 cell: 757-651-9069
Linwood Johnson	City Council Member	ward-4@franklinva.com dollarbusi@yahoo.com cell: 757-907-3696
Ruby Ford	Neighborhood Spark Plug	757-569-1314
HOUSING REHABILITATION OVERSIGHT BOARD – NON-VOTING MEMBERS		
NAME	ORGANIZATION/ROLE	CONTACT: EMAIL/PHONE
Beverly Walkup	Interim Dir. of Community Development Project Manager	bwalkup@franklinva.com 757-562-8681
Phil Sherman	Interim Building Official	psherman@franklinva.com 757-562-8681
Janet Jonas	Grant Management Consultant Summit DE	janet.jonas@summitde.com 804/204-1022 ext. 3406
Ken Rodgers	Rehabilitation Specialist SERCAP	krodgers@sercap.org 540/345-1184
Kirsten Vroman	Community Development Specialist Virginia DHCD	kirsten.vroman@dhcd.virginia.gov 804/385-6583

12/31/2022					Housing Rehab Round #2 Construction Complete
N/A					Holiday / Winter Break in Housing Rehabilitation Activities
Housing Rehabilitation Round #3					
1/15/2023					Housing Rehab Round #3 Bid Docs Complete and Distributed (3 Rehabs)
2/15/2023					Housing Rehab Round #3 Procurement Complete / Contracts Awarded
2/28/2023					Housing Rehab Round #3 Notice to Proceed / Construction Begins
5/31/2023					Housing Rehab Round #3 Construction Complete
Housing Rehabilitation Round #4					
3/15/2023					Housing Rehab Round #4 Bid Docs Complete and Distributed (3 Rehabs)
4/15/2023					Housing Rehab Round #4 Procurement Complete / Contracts Awarded
4/30/2023					Housing Rehab Round #4 Notice to Proceed / Construction Begins
7/30/2023					Housing Rehab Round #4 Construction Complete
Housing Rehabilitation Round #5					
5/15/2023					Housing Rehab Round #5 Bid Docs Complete and Distributed (3 Rehabs)
6/15/2023					Housing Rehab Round #5 Procurement Complete / Contracts Awarded
6/30/2023					Housing Rehab Round #5 Notice to Proceed / Construction Begins
9/30/2023					Housing Rehab Round #5 Construction Complete
11/30/2023					Housing Rehabilitation Documentation Complete
Infrastructure Activities - Sanitary Sewer Improvements					
4/30/2022					Notice to Proceed with Floodplain/Wetland Delineation
6/15/2022					Submit Preliminary Permit Application to USACE
7/31/2022					Notice to Proceed with Full Engineering Design
9/30/2022					Completion of Plans and Specifications
10/15/2022					First Submittal to Regulatory and Funding Agencies
1/15/2023					Request Wage Decision
1/31/2023					Advertise for Bids
2/28/2023					Bid Opening
3/15/2023					Publish Notice of Intent to Award
4/30/2023					Final Approval of Plans and Specifications
5/31/2023					Complete Easement Acquisition
6/15/2023					Start Construction
12/15/2023					Infrastructure Improvements 100% Complete
1/31/2024					Labor Standards Review Complete
Project Monitoring and Closeout					
4/30/2022					Annual Fair Housing Activity
8/15/2022					Submit DHCD Annual Reports
12/31/2022					Housing Rehabilitation Rounds #1 and #2 Complete
1/31/2023					Interim Compliance Review
4/30/2023					Annual Fair Housing Activity
8/15/2023					Submit DHCD Annual Reports

11/30/2023					Housing Rehabilitation Rounds #3 through #5 Complete and Documented
1/15/2024					Infrastructure Improvements Complete and Documented
2/15/2024					Final Compliance Review
2/28/2024					Final Remittance and Closeout Documentation Submitted
2/28/2024					Project Complete

Project Budget Revision Request #2
City of Franklin, VA CIG #21-21-01
Laurel Street Neighborhood Revitalization, Phase I
Budget Revision #2 PR00002
3/16/2022

LINE ITEM	IDIS #	Current Budget #P000001			Revised Budget #PR00002			Budget Change		
		CDBG BUDGET	NON-CDBG BUDGET	TOTAL BUDGET	CDBG BUDGET	NON-CDBG BUDGET	TOTAL BUDGET	CDBG BUDGET	NON-CDBG BUDGET	TOTAL BUDGET
Administration										
Execution of DHCD Contract		\$ 15,000.00	\$ -	\$ 15,000.00	\$ 15,000.00	\$ -	\$ 15,000.00	\$ -	\$ -	\$ -
Contract Monitoring		\$ 26,200.00	\$ -	\$ 26,200.00	\$ 33,700.00	\$ -	\$ 33,700.00	\$ 7,500.00	\$ -	\$ 7,500.00
Fair Housing and Section 3 Activities		\$ -	\$ -	\$ -	\$ 2,000.00	\$ -	\$ 2,000.00	\$ 2,000.00	\$ -	\$ 2,000.00
Execution of Project Contracts		\$ 27,500.00	\$ -	\$ 27,500.00	\$ 18,250.00	\$ -	\$ 18,250.00	\$ (9,250.00)	\$ -	\$ (9,250.00)
Construction Completion		\$ 29,800.00	\$ -	\$ 29,800.00	\$ 17,800.00	\$ -	\$ 17,800.00	\$ (12,000.00)	\$ -	\$ (12,000.00)
Labor Standards		\$ -	\$ -	\$ -	\$ 12,000.00	\$ -	\$ 12,000.00	\$ 12,000.00	\$ -	\$ 12,000.00
Satisfactory Compliance Reviews		\$ 6,000.00	\$ -	\$ 6,000.00	\$ 5,750.00	\$ -	\$ 5,750.00	\$ (250.00)	\$ -	\$ (250.00)
Administrative Project Closeout		\$ 5,500.00	\$ -	\$ 5,500.00	\$ 5,500.00	\$ -	\$ 5,500.00	\$ -	\$ -	\$ -
Legal / Advertising / Workshop Expenses		\$ -	\$ 14,500.00	\$ 14,500.00	\$ -	\$ 14,500.00	\$ 14,500.00	\$ -	\$ -	\$ -
Subtotal		\$ 110,000.00	\$ 14,500.00	\$ 124,500.00	\$ 110,000.00	\$ 14,500.00	\$ 124,500.00	\$ -	\$ -	\$ -
Interim Assistance										
Neighborhood Clean-Up		\$ -	\$ 4,000.00	\$ 4,000.00	\$ -	\$ 4,000.00	\$ 4,000.00	\$ -	\$ -	\$ -
Subtotal		\$ -	\$ 4,000.00	\$ 4,000.00	\$ -	\$ 4,000.00	\$ 4,000.00	\$ -	\$ -	\$ -
Owner-Occupied Housing Rehabilitation										
Rehab Specialist		\$ 21,000.00	\$ 3,700.00	\$ 24,700.00	\$ 21,000.00	\$ 3,700.00	\$ 24,700.00	\$ -	\$ -	\$ -
Construction Related Soft Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Temporary Relocation		\$ 10,000.00	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ -	\$ -
Home Maintenance Education Program		\$ 1,300.00	\$ -	\$ 1,300.00	\$ 1,300.00	\$ -	\$ 1,300.00	\$ -	\$ -	\$ -
Waiver of Building Permit Fees		\$ -	\$ 2,100.00	\$ 2,100.00	\$ -	\$ 2,100.00	\$ 2,100.00	\$ -	\$ -	\$ -
Owner-Occupied Housing Rehabilitation		\$ 209,800.00	\$ 37,000.00	\$ 246,800.00	\$ 209,800.00	\$ 37,000.00	\$ 246,800.00	\$ -	\$ -	\$ -
Subtotal		\$ 242,100.00	\$ 42,800.00	\$ 284,900.00	\$ 242,100.00	\$ 42,800.00	\$ 284,900.00	\$ -	\$ -	\$ -
Investor-Owned Housing Rehabilitation										
Rehab Specialist		\$ 36,500.00	\$ 6,700.00	\$ 43,200.00	\$ 36,500.00	\$ 6,700.00	\$ 43,200.00	\$ -	\$ -	\$ -
Construction Related Soft Costs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Temporary Relocation		\$ 20,000.00	\$ -	\$ 20,000.00	\$ 20,000.00	\$ -	\$ 20,000.00	\$ -	\$ -	\$ -
Home Maintenance Education Program		\$ 2,500.00	\$ -	\$ 2,500.00	\$ 2,500.00	\$ -	\$ 2,500.00	\$ -	\$ -	\$ -
Waiver of Building Permit Fees		\$ -	\$ 4,200.00	\$ 4,200.00	\$ -	\$ 4,200.00	\$ 4,200.00	\$ -	\$ -	\$ -
Investor-Owned Housing Rehabilitation		\$ 364,800.00	\$ 66,700.00	\$ 431,500.00	\$ 364,800.00	\$ 66,700.00	\$ 431,500.00	\$ -	\$ -	\$ -
Subtotal		\$ 423,800.00	\$ 77,600.00	\$ 501,400.00	\$ 423,800.00	\$ 77,600.00	\$ 501,400.00	\$ -	\$ -	\$ -
Wastewater Improvements										
Engineering		\$ 50,400.00	\$ 21,500.00	\$ 71,900.00	\$ 50,400.00	\$ 21,500.00	\$ 71,900.00	\$ -	\$ -	\$ -
Inspection		\$ 30,300.00	\$ 12,900.00	\$ 43,200.00	\$ 30,300.00	\$ 12,900.00	\$ 43,200.00	\$ -	\$ -	\$ -
Storm Sewer Construction		\$ 503,400.00	\$ 214,200.00	\$ 717,600.00	\$ 503,400.00	\$ 214,200.00	\$ 717,600.00	\$ -	\$ -	\$ -
Subtotal		\$ 584,100.00	\$ 248,600.00	\$ 832,700.00	\$ 584,100.00	\$ 248,600.00	\$ 832,700.00	\$ -	\$ -	\$ -
GRAND TOTAL		\$ 1,360,000.00	\$ 387,500.00	\$ 1,747,500.00	\$ 1,360,000.00	\$ 387,500.00	\$ 1,747,500.00	\$ -	\$ -	\$ -

Client ID #: 22-0xxx.V60

City of Franklin, VA / Summit Design and Engineering Services
 21-21-01 Franklin Laurel Street Neighborhood Improvements, Phase I

DHCD
 P4P
 Budget

Work Tasks	Budget CDBG	Current Billing	Cumulative Amount	Percent Complete
P01 Administration - Execution of DHCD Contract				14%
0010 Facilitated Planning Strategy Session	\$ 15,000	\$ -	\$ -	0.0%
0020 Environmental Review Record	\$ 2,000	\$ -	\$ -	0.0%
0030 Pre-Contract Activities	\$ 7,500	\$ -	\$ -	0.0%
0040 Execution of DHCD Contract	\$ 2,500	\$ -	\$ -	0.0%
	\$ 3,000	\$ -	\$ -	0.0%
P02 Administration - Contract Monitoring				31%
General Management	\$ 33,700	\$ -	\$ -	0.0%
0010 Management Team Meetings (24 x \$500)	\$ 25,200	\$ -	\$ -	0.0%
0020 Monthly Reports and Financial Tracking (24 x \$500)	\$12,000	\$ -	\$ -	0.0%
0030 Annual Reports (3 x \$400)	\$1,200	\$ -	\$ -	0.0%
0040 Housing Rehabilitation - Intake / Income Verification / Application Approvals (15 @ \$500 each)	\$ 7,500	\$ -	\$ -	0.0%
0040 Clearance / Cleanup / Demolition	\$ 1,000	\$ -	\$ -	0.0%
Completion / Documentation of Neighborhood Cleanup (2 @ \$500 each)	\$ 1,000	\$ -	\$ -	0.0%
P03 Administration - Fair Housing and Section 3 Activities				2%
0010 Annual Fair Housing Activity (2 @ \$500 each)	\$ 2,000	\$ -	\$ -	0.0%
0020 Annual Section 3 Compliance (2 @ \$500 each)	\$ 1,000	\$ -	\$ -	0.0%
	\$ 1,000	\$ -	\$ -	0.0%
P04 Administration - Execution of Project Contracts				17%
0010 Consultant Contracts (3 @ \$750 each)	\$ 18,250	\$ -	\$ -	0.0%
Consultant - Grant Management	\$ 2,250	\$ -	\$ -	0.0%
Consultant - Rehabilitation Specialist	\$ 750	\$ -	\$ -	0.0%
Consultant - Engineer	\$ 750	\$ -	\$ -	0.0%
0020 Owner-Occupied Housing Rehab Contracts (5 @ \$1,000 each)	\$ 750	\$ -	\$ -	0.0%
0030 Investor-Owned Housing Rehab Contracts (10 @ \$1,000 each)	\$ 5,000	\$ -	\$ -	0.0%
0040 Infrastructure Contract - Sanitary Sewer	\$ 10,000	\$ -	\$ -	0.0%
	\$ 1,000	\$ -	\$ -	0.0%
P05 Administration - Construction Completion				16%
0010 Housing Rehab - Construction (15 @ \$1,000 each)	\$ 17,800	\$ -	\$ -	0.0%
0020 Infrastructure Contract - Sanitary Sewer	\$ 15,000	\$ -	\$ -	0.0%
Construction Commences	\$ 2,800	\$ -	\$ -	0.0%
Drainage Construction 100%	\$ 1,400	\$ -	\$ -	0.0%
	\$ 1,400	\$ -	\$ -	0.0%
P06 Administration - Labor Standards Compliance				11%
0010 Labor Compliance Complete on Construction to 50% (6 @ \$1,000)	\$ 12,000	\$ -	\$ -	0.0%
0020 Labor Compliance Complete on Construction to 100% (6 @ \$1,000)	\$ 6,000	\$ -	\$ -	0.0%
	\$ 6,000	\$ -	\$ -	0.0%
P07 Satisfactory Compliance Reviews				5%
001 Interim Compliance Review	\$ 5,750	\$ -	\$ -	0.0%
002 Final Compliance Review	\$ 2,750	\$ -	\$ -	0.0%
	\$ 3,000	\$ -	\$ -	0.0%
P08 001 Project Close-Out				5%
	\$ 5,500	\$ -	\$ -	0.0%
Grand Total	\$ 110,000	\$ -	\$ -	0.0%



**LAUREL STREET NEIGHBORHOOD
REVITALIZATION PROJECT, PHASE I
CIG #21-21-01**

**PROGRAM INCOME PLAN
CITY OF FRANKLIN, VIRGINIA**

**PROPOSED FOR ADOPTION BY CITY COUNCIL
MARCH 28, 2022**

**ASSISTANCE PROVIDED BY:
SUMMIT DESIGN AND ENGINEERING SERVICES**

PROGRAM INCOME PLAN
LAUREL STREET NEIGHBORHOOD REVITALIZATION, PHASE I
FY2021 CDBG-FUNDED COMMUNITY IMPROVEMENT GRANT VA #21-21-01
CITY OF FRANKLIN, VIRGINIA

OBJECTIVE

The City of Franklin (City) is committed to facilitating rehabilitation of substandard housing and to addressing related community development needs in targeted areas. The City is interested in continuing its housing rehabilitation and community development efforts with future Community Development Block Grant (CDBG) projects. Doing so may involve recapturing Program Income from the Laurel Street Neighborhood Revitalization Project to be used in additional housing rehabilitation and related community development projects benefiting low- to moderate-income households and eliminating blight/blighting influences.

ACTIVITIES

Program Income realized from the Laurel Street Neighborhood Revitalization Project, funded as a Community Improvement Grant (CIG) Comprehensive Community Project with CDBG funds, will allow the City to accomplish housing rehabilitation and related infrastructure improvements in designated areas throughout the City according to the priorities established under "PROJECT AREA" as a direct benefit to low- and moderate-income households and neighborhoods and as a means to eliminate blight and blighting influences. Housing rehabilitation assistance offered with Program Income will be provided under Virginia Department of Housing and Community Development (VDHCD) guidelines effective at the time of project implementation.

PROGRAM INCOME

Active Program Income: Active Program Income is income received from program activities prior to administrative closeout of the CDBG Grant Agreement. Active program income may be used for eligible project costs more than the Project Budget with the permission of DHCD. Active program income will be used for the same CDBG activities as approved in the CDBG Agreement. Active income on-hand at the end of the project will be used to reduce the final remittance or returned to DHCD.

Inactive Program Income: Inactive program income is all revenue received in a 12-month reporting period (July 1 – June 30) of more than \$35,000 from an administratively closed project funded with CDBG monies. All inactive program income received in the 12-month reporting period will be held in reserve by the City of Franklin until after the reporting period has ended and that fiscal year's report has been submitted to and approved by DHCD. At the time the report is submitted, a specific work plan and budget may be submitted outlining the proposed use of inactive program income. A timeline to expend all funds within twelve (12) months will be included. Inactive program income will be retained by the City of Franklin until the proposed use is authorized by DHCD.

Miscellaneous Revenue: Miscellaneous revenue is all revenue received in a 12-month reporting period (July 1 – June 30) of less than \$35,000 from an administratively closed project funded with CDBG monies. No amount of miscellaneous revenue received by the City of Franklin in the reporting period may be expended until after the period has ended and that fiscal year's report has been submitted to and approved DHCD. The City of Franklin will retain the funds until it is authorized by DHCD to expend the proceeds locally. Miscellaneous revenue will be used for the following purposes:

1. Miscellaneous revenue may be used to address housing rehabilitation needs, to create home ownership opportunities, to improve blighted commercial properties, to acquire and/or clear blighted properties, and related infrastructure improvements as a direct benefit to low- and moderate-income households and neighborhoods and for the elimination of blight and blighting influences in the City of Franklin; and

2. Miscellaneous revenue may be used for actual administrative costs. At the time the Program Income is expended, 10 percent of the expended Program Income may be allocated for administrative purposes.; and
3. Miscellaneous revenue may be used, up to \$5 per loan per month, as a service fee to offset the cost of loan collection.

Program income will be used only for applicants whose household incomes are at or below 80% of the City's median income.

TIMEFRAME

The City will make rehabilitation loans to owner-occupants with 5-year terms and landlords of tenant-occupied housing units with 10-year terms. The City could make loans through 2024 with this CDBG Grant Agreement and could receive Program Income from loan repayments due to property transfers through the year 2034.

PROJECT AREA

Activities will be carried out in the project area identified in the 2021 CIG application for the Laurel Street Neighborhood Revitalization Project and affirmed under contract with VDHCD. All projects funded with Program Income generated from the Laurel Street Neighborhood Revitalization Project CIG will be located within the project area until there is no more need. All Program Income realized (active, inactive, or miscellaneous) from the Laurel Street Neighborhood Revitalization Project must be used according to the following priorities:

1. Within the Laurel Street Neighborhood Revitalization Project Area and used to continue the activity from which it was derived until all identified needs have been met.
2. Within the Laurel Street Neighborhood Revitalization Project Area and used on other eligible CDBG activities until all identified needs have been met.
3. Within the jurisdictional boundaries of the City of Franklin and used for eligible CDBG activities, as permitted under the Housing and Community Development Act of 1974, as amended, until all identified needs have been met.

FUNDS TO BE AVAILABLE

1. Total Projected Program Income from direct 0% interest loan repayment for Next 12 Years: \$0
2. Number of Years Until Payback Complete for Each Loan: 5 years (owner-occupied) and 10 years (investor-owned)
3. Payback Schedule Total Principal and Interest:

Year 1	\$0.00	Year 7	\$0.00
Year 2	\$0.00	Year 8	\$0.00
Year 3	\$0.00	Year 9	\$0.00
Year 4	\$0.00	Year 10	\$0.00
Year 5	\$0.00	Year 11	\$0.00
Year 6	\$0.00	Year 12	\$0.00

ADMINISTRATION

The Franklin City Financial Analyst will serve as Loan Officer and will be responsible for receiving direct loan repayments. The funds will be deposited in an interest-bearing escrow account and identified as revenue or expenditure. Funds will be accounted for separately on the City's balance sheet. Program Income will be reported annually to VDHCD as required.

Records will be kept on a fiscal year basis. Records will show the amounts due and received monthly by client's name, separated as Active, Inactive, or Miscellaneous Program Income and by contract and the income expended according to this Program Income Plan. Copies of documentation will be placed in the

appropriate client file.

The Franklin City Manager may administratively approve specific proposals for use of accumulated Program Income. Specific proposals for use of Program Income may originate from the City Manager or any active management team or appointed oversight board assisting with the planning or implementation of a CDBG-funded project in accordance with an appropriate Project Management Plan, Program Design, and the Grant Management Manual. The City Manager is responsible for managing the expenditure of said funds in compliance with the Virginia Procurement Act.

CERTIFICATION

I certify that this is the plan of this locality for use of income derived from the Community Development Block Grant Program after the current contract expires. I further certify that the City of Franklin fully intends to carry out this plan, oversee its implementation, and assures that no other use of these funds will be allowed. I certify that this locality will budget program income funds in a separate, distinct account and will maintain records documenting the use of those under the Home Investment Partnerships Act, as amended, and Title I of the Housing and Community Development Act of 1974, as amended. I understand that the Virginia Department of Housing and Community Development may review the receipt and expenditure of program income funds.

Amanda C. Jarratt
City Manager, City of Franklin
Certifying Officer, Laurel Street Neighborhood Revitalization Project

Date



Office of The City Manager
Amanda C. Jarratt

March 21, 2022

To: Franklin City Council

From: Amanda C. Jarratt, City Manager

Reference: Southampton County Courthouse Update

Background

As you all are aware, when construction bids came in for the Southampton County Courthouse project came in last August they were substantially higher than originally projected and exceeded the amount of available project proceeds by approximately \$4.7 million. Following that bid opening there was a joint meeting with the Southampton County Board of Supervisors as well as Glave and Holmes to discuss value engineering options in an attempt to lower costs.

The City of Franklin initially borrowed \$4.2 million for our share of the costs. The final negotiated contract was \$21,583,053. The Courthouse project budget presented only included a 3.5% contingency. Industry standards for renovation projects of this magnitude are typically a minimum of 10%. Southampton County is now recommending a project contingency cost of 7.5% to cover any unexpected costs and that may arise during the course of construction.

In addition, the initial Courthouse project included \$600,000 for fixtures, furnishings, and equipment (FFE) in the renovated Courthouse. Industry standards for FFE typically run \$25 per square foot which for a building of this size would equate to \$1,00,000.

As a result of the changes from the initial project estimate the City of Franklin's share of the project is now \$5,800,428. Staff is recommending in lieu of borrowing an additional \$1,600,428 to restrict the proceeds from the sale of Pretlow Industrial Park to Global Concentrate in the amount of \$1,900,000 to fund the difference. Any remaining funds once this project is complete can be used for the necessary renovations to the City of Franklin Courthouse.

Needed Action

Consider the restriction of the proceeds from the sale of Pretlow Industrial Park to Global Concentrate to pay for the increase costs associated with the Southampton Courthouse.

	ESTIMATED BUDGET (9/7/2021)	County's Estimated Share (9/7/2021) -	City's Estimated Share (9/7/2021)
COURTHOUSE PROJECT BUDGET			
Design/Bidding/Contract Administration	\$ 1,811,026	\$ 1,423,104	\$ 387,922
Temporary Facilities (District Court)	\$ 125,000	\$ 125,000	-
Temporary Facilities (HES)	\$ 1,330,293	\$ 1,208,308	\$ 121,985
Special Inspections	\$ 95,000	\$ 74,651	\$ 20,349
Fixtures, Furnishings & Equipment	\$ 600,000	\$ 471,480	\$ 128,520
Construction	\$ 21,350,000	\$ 16,776,830	\$ 4,573,170
Construction Contingency	\$ 747,250	\$ 587,189	\$ 160,061
	<u>\$ 26,058,570</u>	<u>\$ 20,666,562</u>	<u>\$ 5,392,007</u>

	FINAL BUDGET	County Share	City's Estimated Share (03/15/2022)
COURTHOUSE PROJECT BUDGET			
Design/Bidding/Contract Administration	\$ 1,889,462	\$ 1,484,739	\$ 404,723
Temporary Facilities (District Court)	\$ 170,000	\$ 170,000	-
Temporary Facilities (HES)	\$ 1,619,053	\$ 1,435,215	\$ 183,838
Special Inspections	\$ 130,000	\$ 102,154	\$ 27,846
Fixtures, Furnishings & Equipment	\$ 1,000,000	\$ 785,800	\$ 214,200
Construction	\$ 21,583,053	\$ 16,959,963	\$ 4,623,090
Construction Contingency	\$ 1,618,729	\$ 1,271,997	\$ 346,732
	<u>\$ 28,010,297</u>	<u>\$ 22,209,869</u>	<u>\$ 5,800,428</u>

BUDGET AMENDMENT 2022-17

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRANKLIN, VIRGINIA that the 2021-2022 City Budget is hereby amended to:

1. *reallocate appropriations from Information Technology to Parks & Recreation to complete a HVAC purchase; and*
2. *appropriate proceeds from sale of land in the Pretlow Industrial Park to the Southampton Courthouse Project.*

		2021-2022 BUDGET	AMENDED BUDGET	INCREASE (DECREASE)
	#1			
	EXPENDITURES			
100-4-12560-8200	PEG Channel & AV Equipment	\$ 34,500	\$ 24,500	\$ (10,000)
100-4-71300-8400	Capital Outlay	40,000	50,000	10,000
				\$ -
	#2			
	100 GENERAL FUND			
	REVENUE			
100-3-18990-0007	Sale of Real Estate	\$ -	\$ 1,990,000	\$ 1,990,000
				\$ 1,990,000
	EXPENDITURES			
100-4-93100-9380	Transfers to Capital Projects	615,000	2,605,000	1,990,000
				\$ 1,990,000
	200 CAPITAL PROJECTS FUND			
	REVENUE			
200-3-41050-9480	Transfer from General Fund	\$ 615,000	\$ 2,605,000	\$ 1,990,000
				\$ 1,990,000
	EXPENDITURES			
200-4-94001-8106	Courthouse	\$ 4,284,000	\$ 6,274,000	\$ 1,990,000
				\$ 1,990,000

Certified copy of resolution adopted by Franklin City Council.

Clerk to the City Council



*Office of the City Manager
Amanda C. Jarratt*

March 22, 2022

To: Franklin City Council

From: Amanda C. Jarratt, City Manager

Reference: City Manager's Report

General Updates

- The City of Franklin staff continues to work with local, regional, and state partners to battle the impacts of COVID-19 and provide testing and vaccinations throughout the City.
- Anixter is in the process of installing meters to allow us to implement the AMI system.
- The proposed redistricting maps have been placed at Franklin City Hall, the Franklin Police Department, the Martin Luther King Center, the Franklin Library and the YMCA for review by the public. Two public hearings will be conducted on April 11th and April 25th.
- In recognition of Child Abuse Awareness Month City staff is asking that all local businesses and citizens join us in wearing blue on Friday April 8th.

Community Events

- Child Abuse Prevention Month Day in the Park April 2nd.
- Franklin Garden Club and Spring Fest April 23rd.
- Franklin Cruise In Kick Off May 7th.
- Lumberjack Festival May 7th.

JOIN FRANKLIN DEPARTMENT OF SOCIAL SERVICES &
FRANKLIN DEPARTMENT PARKS AND RECREATION

WEAR
 BLUE

#FranklinCityGoesBlue

April 8, 2022

*Calling all City employees, Citizens
& Businesses to wear blue to show
your support & commitment to
preventing Child Abuse.*

Wear your prevention blue and
Send pics to:

Ktaylor@franklinva.com or tag
Franklin Department of Parks and
Recreation on Facebook with
hashtag #FranklinCityGoesBlue